Te Pūkenga

2022
Te Pūrongo ā-Tau
Annual Report

Te Pūkenga – New Zealand Institute of Skills and Technology

Te Pūkenga

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Tirohanga Whānui | Overview

Tō mātou tirohanga roa | Our vision

Whakairohia he toki, tāraia te anamata
Learning with purpose, creating our futures.

Tō mātou pūtake | Our purpose

E tuku ana e Te Pūkenga ngā huarahi mātauranga hiranga, tino kounga hoki hei tautoko i ngā ākonga, ngā kaitukumahi me ngā hapori ki te whiwhi i ngā pūkenga, mōhiotanga, āheinga hoki kei te hiahiatia e Aotearoa i āianei, mō āpōpō hoki. Noho ai ngā ākonga me ō rātou whānau hei pūtake mō ā mātou mahi katoa.

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

Ngā whakaawenga | Enablers for change

Reform of Vocational Education (RoVE) included seven key changes that will enable a unified vocational education system:

1. Create Workforce Development Councils.
2. Establish Regional Skills Leadership Groups.
3. Establish Te Taumata Aronui.
4. **Create Te Pūkenga.**
5. Shift the role of supporting workplace learning from Transitional Training Organisations (TITOs) to providers.
6. Establish Centres of Vocational Excellence.
7. Unify the vocational education funding system.

Ā mātou whāinga tōmua | Our priorities

1. A relentless focus on equity and ensuring participation – we honour and uphold Te Tiriti o Waitangi in all we do.
2. Delivering customised learning approaches that meet the needs of learners and trainees wherever they are.
3. Using our size and scale to strengthen the quality and range of education delivery throughout Aotearoa New Zealand. Excellence in educational provision for all.
4. Services that meet the specific regional needs of employers and communities.
5. Transition educational services in a smooth and efficient manner.

Ngā whāinga matua | Our outcomes

1. Give effect to Te Tiriti o Waitangi in all that we do.
2. Provide exceptional learning experiences and equitable outcomes for Māori.
3. Be learner centred. Recognise the diverse and unique needs of all learners, with a focus on the unmet needs of Māori, Pacific and disabled learners, and staff, to empower diversity, belonging, and wellbeing.
4. Partner with employers to deliver relevant work-integrated education that meets skills needs.
5. Be responsive and empowering to staff and learners.
6. Become a connected and future focused education provider driven by innovation, collaboration, research, data driven decision-making and teaching excellence.
7. Delivering regional flexibility and nationally consistent outcomes. Create-barrier free access, mobility across, and clear pathways within the network for learners.
8. Become a sustainable network of provision creating social, economic, environmental and cultural wellbeing.
9. Focus on efficient and cost-effective delivery across the network.

Ā mātou uara | Our values

Manawa nui
We reach out and welcome in

Manawa roa
We learn and achieve together

Manawa ora
We strengthen and grow the whole person

Ngā tuhinga aratohu | Our guiding documents

Education and Training Act 2020 and Crown Entities Act 2004

Te Pūkenga — New Zealand Institute of Skills and Technology Charter

Minister's Letter of Expectations

Te Pae Tawhiti — Te Tiriti o Waitangi Excellence Framework

He tiro wawe ki Te Pūkenga |
Te Pūkenga at a glance 2022

270,993 Ākonga (learners)

including **140,222** Trainees and apprentices

48,037 Graduates

16 ITPs and **8 TITOs** Transitions completed

Participation rates

Domestic learners

- **21%** Māori
- **9%** Pacific
- **7%** Disabled

26 Net Promoter Score (NPS) for employer satisfaction

2,500+ Programmes

1,247 Qualifications considered for unification

35,788 Employers provided vocational training supported by Te Pūkenga

9,082 Kaimahi (staff)

35,876 Work Based Learning trainees and apprentices completed programmes

3,000 Kaimahi and ākonga gave feedback on proposed leadership structure

90+ Sites with more than **1,200** Buildings included in capital asset scope

19% Brand awareness**

27% for Māori

**up from 7% pre-campaign

89% Ākonga satisfaction rate*

*based on Learner Satisfaction survey

Top six areas of provision

- **22%** Architecture and Building
- **20%** Engineering and related technology
- **13%** Society and Culture
- **10%** Health
- **9%** Management and Commerce
- **8%** Agriculture, Environmental and Related Studies

Te Pūrongo a te Heamana me te Tumuaki | Chair and Chief Executive's Report

Transition and transformation

Transition continued to be a core focus of activity in 2022. The establishment of Te Pūkenga is a large and complex unification of 25 organisations into one, national network.

We began the year with the transition of MITO to our Work Based Learning subsidiary (WBL) on 1 January 2022 and closed the year on 31 December with the dissolution of WBL. In June, the first Institutes of Technology and Polytechnics (ITPs), Wintec and Toi Ohomai, became business divisions of Te Pūkenga. They were followed by:

- Whitireia Community Polytechnic (Whitireia) and Wellington Institute of Technology (WelTec) in September
- Nelson Marlborough Institute of Technology (NMIT), Tai Poutini Polytechnic, Northland Polytechnic, Unitec New Zealand and Manukau Institute of Technology on 1 October
- Otago Polytechnic, Ara Institute of Canterbury, Open Polytechnic, Southern Institute of Technology (SIT), Western Institute of Technology at Taranaki (WITT), Eastern Institute of Technology (EIT) and Universal College of Learning (UCOL) on 1 November.

WBL also welcomed Careerforce, ServiceIQ, New Zealand Hair and Beauty Industry Training Organisation (HITO), Primary ITO and parts of The Skills Organisation, before moving itself and its nine business divisions into Te Pūkenga.

Transition is a significant event for our organisations. We marked these milestones with pōwhiri, rangitāmiro events and the gifting of taonga to reflect the history that was transferred into Te Pūkenga.

In early 2022, we undertook a review to determine if Te Pae Tawhiti: Te Tiriti o Waitangi Excellence Framework was achieving its core purpose. From this review and the feedback from kaimahi (staff) and Te Tiriti o Waitangi partners, we published a second iteration of Te Pae Tawhiti. Work also began on the development of a Continuous Quality Improvement (CQI) policy to ensure Te Tiriti o Waitangi excellence is embedded within the policies, processes, systems, and practices of Te Pūkenga.

July reset a defining moment

A defining moment of 2022 was the significant reset in July and the Council appointment of Peter Winder as Acting Chief Executive. Peter led a detailed review of our priorities and key deliverables before 2023 and how we could reduce the risks associated with our transition. We also needed to address the significant financial deficit we were facing – up from a budgeted $69 million at the beginning of the year to a forecast $110 million.

By re-prioritising activity, holding vacancies and introducing a strong focus on cost control, this deficit before other comprehensive revenues and expense was reduced to $80 million.

In line with good practice, an independent strategic review of the transformation programme of Te Pūkenga was undertaken in early 2022. This was jointly commissioned by the Tertiary Education Commission (TEC) and Te Pūkenga and intended to identify issues and risks and provide practical recommendations to support a successful transformation programme. This led to the agreement of a Minimum Viable Product (MVP) for 2023 and the establishment of the Transformation Committee, a dedicated sub-committee of Council to provide focus and oversight on the execution of Te Pūkenga transformation programme.

We also shifted from a plan to move all kaimahi into a new structure in 2022, to taking a phased approach. In August and September, we engaged broadly with kaimahi on the permanent leadership structure needed for an organisation of our size, scale, and significant delivery. Once confirmed in October, we moved onto designing the business groups that would sit below the leadership team, taking a phased approach to design and consultation.

Following the reset, the Programme Business Case (PBC) was resubmitted to the Minister of Education in October 2022. The PBC sets out the business case for the transformation required to bring 25 separate organisations together and create a unified vocational education system that is ready for a fast-changing future of skills, learning and work. The PBC will be considered as part of Budget 2023.

After assessment of over 1,185 buildings across 93 delivery sites at former ITP campuses around the country, we submitted and were granted $40 million in Budget 2022 for high priority buildings that were a potential risk to the health and safety of ākonga (learners), kaimahi and other building users.

We began to look ahead to the measures needed to maintain financial sustainability in 2023. This included considering changes to some face-to-face delivery that was not in high demand by ākonga and looking for opportunities to secure additional revenue and reduce spending in other areas. We also undertook a review of our building portfolio to identify opportunities to release capital where significant under-utilisation is identified.

Some members of our transitional executive leadership team moved on to new opportunities during the year and we acknowledged the loss of expertise and significant experience from these leaders who provided guidance and stability to their teams over a number of years of disruption and change. These departures also created opportunities for interim leadership arrangements to provide continuity in our day-to-day operations while we moved more than 9,000 kaimahi into a new structure.

Significant Accounting Impact of Public Benefit Entity Accounting

Under PBE accounting, the delivery requirements to receive funding was largely earned and recognised by the previous Institutes of Technology and Polytechnic subsidiaries prior to their disestablishment. This has the effect of the full year's income being recognised in individual Institute's disestablishment financial statements with only part of the year's costs. The consequence of this to the consolidated Parent entity has had the impact of the Parent having to account for all the delivery and operating costs since the Institutes' amalgamation dates but without the associated delivery income. This income has already been recognised in the individual Institute's disestablishment financial statements. As a result a more meaningful comparison is to consider the group revenue and expenditure position which reflects the full twelve month revenue and expenditure.

Further challenges in 2023

At the start of another busy year, 2023 has already presented some serious challenges with the Auckland flooding at the end of January, and Cyclone Gabrielle in February. These severe weather events have had a significant impact on New Zealanders, including many of our Te Pūkenga kaimahi and ākonga, their homes, our campuses and employers' businesses. Notably, Primary ITO apprentice Daniel Newth tragically died in the flooding in Auckland on 27 January 2023.

Our EIT and NorthTec business divisions and work-based learning business divisions in Hawke's Bay and Tairāwhiti were most affected by Cyclone Gabrielle. We moved quickly to support our ākonga in these areas, identifying relief funds and looking into alternative arrangements that would minimise disruption to teaching and learning.

As recovery continues throughout 2023, we expect to see the longer-term impacts of these events, both personal and financial, become clearer. We face further challenges in 2023 with indications of significant reductions in domestic students enrolling in campus-based programmes. The uncertainty of enrolments, along with rising cost pressures, means that the financial challenges we are facing are fluid while we undertake a significant change programme. Nevertheless, these challenges underscore that change is required to better serve the changing needs of our country.

We face an enormously complex challenge to move from at least 25 sets of fundamental digital business systems to a single, integrated set for Te Pūkenga. These include systems that support financial, kaimahi, ākonga, and stakeholder information management. A strategic investment strategy has been developed to support this digital transformation from 2023, but it may be several years before we have full functionality.

Cost pressures, inflation and uncertainty around student enrolments are expected to impact our bottom line this year. The Government's new Unified Funding System (UFS) provides greater emphasis on work based learning and will change the income we receive. However, if enrolments are significantly lower than budgeted, then we will need to make considerably more dramatic savings across on-campus delivery. However, our cash position remains strong.

We are reminded that our kaimahi continue to work in partnership for ākonga to get better skills and qualifications, and in good jobs faster, with less debt. We wish to thank kaimahi for their efforts as we continue to provide on-campus, on-the-job and online learning in a way that is culturally responsive.

As Chair and Chief Executive of Te Pūkenga, we are proud to present the 2022 Annual Report. It reflects a year of change, focus and transition. It's infused with our purpose, our values, our priorities, and the requirements set out in our Charter – they drive everything we do on this journey as Te Pūkenga.

Murray Strong
Tumuaki Kaunihera |
Chairman

Peter Winder
Tumuaki |
Chief Executive


Murray Strong


Peter Winder

He tiro whakamuri | A year in review

Despite some challenges, 2022 was a year of significant achievement on the journey to fulfilling the role of Te Pūkenga in the Reform of Vocational Education (RoVE).

Ākonga at the centre

Our ākonga were at the centre of everything we did in 2022, as we delivered to their unique needs, including those who have been traditionally under-served, such as Māori, Pacific, and disabled learners.

We developed our Equity and Ākonga Success Strategy, after extensive consultation and co-design with our ākonga and kaimahi and assisted by the Interim Learner Advisory Committee. A 10-year roadmap for how Te Pūkenga creates equitable access and participation for all ākonga, the strategy sets out how we will remove barriers to access, participation, persistence in learning and completion of qualifications, making sure that learners, apprentices and trainees have what they need to thrive and succeed when undertaking vocational or applied training.

The first part of the strategy – the Learner Success Plan -- will be implemented in 2023 as a significant piece of work.

We launched our first ever National Disability Action Plan with extensive input from ākonga across the network and piloted two initiatives to better support Māori and Pacific learners.

'Whakawhanaungatanga for pre-start' aims to establish meaningful connections between ākonga and the people and places they will learn with before their first day. 'Tuakana Teina' is a peer mentoring service that connects new ākonga with others further along on their journey.

In partnership with Te Whatu Ora (Health New Zealand), we invested $1.4 million to deliver new and enhanced mental health and addiction services for our ākonga. This included a new national service to increase kaupapa Māori and Pacific programmes and services across the motu (country), access to a national 24-hour counselling service and implementation of a variety of on-site mental health services.

Defining excellence in Ako and innovation

A key part of the move to becoming a unified network during 2022 has been the development of Whiria Te Ako as the framework for how we design programmes, and facilitate learning, teaching and rangahau research for our ākonga and kaimahi across all modes of delivery. Whiria Te Ako defines excellence in Ako (teaching and learning) and innovation, and provides a local, regional, and national organisational view of best practice from design to delivery.

The development of Te Kawa Maiorooro, Te Pūkenga Academic Regulatory Framework, was finalised in 2022 and came into effect on 1 January 2023. It is designed to deliver a harmonised set of academic regulations and reflects Te Pae Tawhiti, ensuring the integrity and quality of teaching, learning and assessment throughout the network to enable our ākonga to succeed.

Key regional partnerships

Partnering and collaborating with Workforce Development Councils and Regional Skills Leadership Groups has also been a key part of our programme unification process in 2022, as we focus on shaping new and existing qualifications and coherent pathways for ākonga and employers to respond to regional needs.

We entered into new agreements and partnerships, including the New Zealand Defence Force, Ara Poutama Aotearoa Department of Corrections, Independent Tertiary Education New Zealand (ITENZ) and Quality Tertiary Institutions (QTI). These initial steps demonstrate our ability to be the long-term skills training partner for organisations with regional and national reach.

We will continue to build on these relationships as we leverage our national network of delivery to drive a network of provision that prepares ākonga for the future of work, particularly through the delivery of work-based and work-integrated learning experiences.

Delivering benefits through unification

Work also continued on integrating programmes and delivery approaches, moving from developing and maintaining duplicated programmes to a single unified approach available across the motu.

Over 2022, we focused our attention on programmes where unification would have the greatest benefit across our delivery, including: Nursing, Social Work, Animal Healthcare and Veterinary Nursing, Hair, Beauty and Massage, Hospitality and Tourism, Primary Industries and Trades. That work means more than 350 unified programmes will be delivered across Te Pūkenga in 2023.

Digital transformation

During 2022, we implemented technology systems that enabled the establishment of Te Pūkenga operations and developed strategic directions for digital investment from 2023. This included the delivery of a technology systems framework that outlined how future systems will support Te Pūkenga strategic goals, the roll-out of a cyber security assessment of all entities, the development of an investment strategy to support digital transformational change from 2023-2026, and the establishment of an enterprise data analytics platform that enabled Te Pūkenga to understand key aspects of the business and to meet compliance and reporting requirements.

Building our brand here and overseas

In September, we began the process of introducing Te Pūkenga to Aotearoa New Zealand with a marketing campaign that focused on building brand awareness and explaining our relationship with our network. This campaign worked hand-in-glove with the marketing activity already being executed by the network – aimed at recruiting learners to our extensive range of courses and programmes. The network marketing campaigns took a coordinated visual approach, amplifying the efforts of the former ITPs and ITOs and further explained the move towards a cohesive, integrated organisation.

With border restrictions relaxing during 2022, our teams worked together to introduce Te Pūkenga to the diverse international education community. Representatives attended key events in markets including the United States of America, Republic of Korea, India and China, sharing the opportunities of connected vocational and applied learning in Aotearoa New Zealand.

Te Mahere Mahi Panonitanga me te Whakaumu | Transition and Transformation Work Programme (TTWP)

Te Pūkenga Work Plan, first developed in 2021, underwent revalidation and emerged as the Transition and Transformation Work Programme in 2022, with a sharper focus on activity that was critical for 1 January 2023 and to support delivery of our commitments to the Minister of Education, Tertiary Education Commission (TEC) and Reform of Vocational Education (RoVE).

Other work plan activities were either ceased or moved under leadership team responsibility within business unit operations.

The work programme's four portfolios remain unchanged. However, the increased focus on scope and prioritisation led to significant improvements in the quality of programme management and reporting over the course of the year.

Portfolio	Programme focus	Key achievements in 2022
Our pathway (Transition to Horizon 1)	• Activities that smooth the transition for ākonga and kaimahi while immediately demonstrating some meaningful change.	• Operating and enrolments systems in place and ready for Te Pūkenga day 1 (1 January 2023). • Connected ecosystem of websites across the network gives ākonga and employers seamless access to all opportunities nationwide. • ITPs, TITOs and WBL successfully transitioned by December 2022. • Foundational ākonga health and wellbeing strategies developed including National Strategic Action Plan and Pastoral Care Code. • Delivery of the Programme Business Case to Treasury. • New Executive Leadership Team structure confirmed.
Preparing for success	• Delivering equity for priority learners, increasing access to quality education, and becoming an inclusive environment with a diverse, culturally and disability-confident workforce.	• Te Tiriti partnership model developed, Te Pae Tawhiti Te Tiriti o Waitangi excellence framework finalised and action plans in place within all subsidiaries. • Ako teaching and learning framework co-designed with key stakeholder groups. • Stocktake of fees across the network completed to inform changes to fees structure (led by the Ministry of Education for 2024). • Groundwork laid for unification and standardisation of programmes in 2023 (from over 300 programmes to fewer than 50).
Effective partnerships	• Delivering active and meaningful partnerships, where we uphold and honour Te Tiriti o Waitangi and offer services that meet the needs of employers, communities and iwi.	• Equity and Ākonga Success Strategy • Māori, Pacific, and disabled learners are accessing new mentoring and early outreach/connection services. • Completed two pilot programmes (Tokona Te Raki and Pūhoro STEM Academy) in partnership with iwi focused on meeting Māori aspirations for the future of work.
Leadership	• Mahi (work) that defines the future state of Te Pūkenga, and the benefits and outcomes that we seek to bring to Aotearoa New Zealand..	• Draft Te Pūkenga Outcomes and Performance Measurement Framework. • Learner and employer insights and evaluation functions.

Kaitiakitanga | Governance

During 2022 we welcomed a new Council member, Jeremy Morley, and reorganised various Council sub-committees in response to, amongst other things, Peter Winder being appointed as Acting Chief Executive. We have also strengthened our governance by implementing recommendations that came out of an independent review of our governance framework, conducted by Dame Karen Sewell and Belinda Clark.

Te Kaunihera | Members of Council

Member	Start date	Current term ends	Appointed by
Murray Strong (Chair)	1 April 2020	31 March 2024	Minister of Education
Kim Ngārimu (Deputy Chair)	1 April 2020	31 March 2023	Minister of Education
Peter Winder[1]	1 April 2020	6 July 2022	Minister of Education
Maryann Geddes	1 April 2020	31 March 2023	Minister of Education
Kathy Grant	1 April 2020	31 March 2023	Minister of Education
Tania Hodges	1 April 2020	31 March 2023	Minister of Education
Sam Huggard	1 April 2020	31 March 2023	Minister of Education
John Brockies	18 June 2020	31 March 2024	Minister of Education
Tagaloatele Peggy Fairbairn-Dunlop	1 April 2021	31 March 2025	Minister of Education
Jordan Gush	4 October 2021	The earlier of either: i. the election of the Learner Advisory Committee, due to take place in Q3 2023; or ii. 30 September 2023	Interim Learner Committee nomination
Heath Sawyer	4 October 2021	The earlier of either: i. the election of the Kaimahi Advisory Committee, due to take place in Q3 2023; or ii. 30 September 2023	Interim Staff Committee nomination
Dr Teorongonui Josie Keelan	2 November 2021	The earlier of either: i. the appointment of members of the Māori Advisory Committee as required by s.325(1) of the Education and Training Act 2020; or ii. 30 September 2023	Komiti Māori nomination
Jeremy Morley[2]	1 September 2022	31 August 2025	Minister of Education

[1] Left during 2022 to become Acting CE
[2] Joined during 2022

Te Kaunihera | Members of Council

Murray Strong, Chair

Murray Strong is an independent director and Chair and has governance and senior management experience across many sectors, including tertiary education.

Murray was the NZIST Establishment Unit Executive Director, where he was closely involved with all workstreams, key stakeholders and the future direction. Prior to the NZIST Establishment Unit, Murray was Chair of New Zealand Qualifications Authority. He is currently Chair of the Centre of Digital Excellence in Dunedin and the Digital Transformation Board for the Southern District Health Board.

Kim Ngārimu, Deputy Chair

Kim Ngārimu (Te Aitanga ā Mate, Ngāti Porou) is a director of Tāua Limited, a consultancy specialising in public policy and management advice. Earlier in her career, Kim held a range of senior public sector roles in Wellington.

She is a member of the Medical Council of New Zealand and the Waitangi Tribunal and was previously Chair of Tairāwhiti District Health Board and Deputy Chair of the NZIST Establishment Board.

John Brockies

John Brockies is an experienced independent director with a professional background of CEO roles in large New Zealand organisations in the public and private sectors.

He was a Ministerial appointee to the Commissioner's Advisory Panel for Unitec and was an independent member of the RoVE Programme Board.

Tagaloatele Peggy Fairbairn-Dunlop

Tagaloatele Professor Peggy Fairbairn-Dunlop CNZM is Emeritus Professor at Auckland University of Technology. She has contributed to significant government and NGO policy affecting the Pacific community and has carried out a significant amount of educational research.

She has served as the National President of PACIFICA Inc and was appointed as a Commissioner in 2017 to oversee Samoa's national inquiry into family violence. Her CNZM was awarded in 2015 for services to education and the Pacific community.

Maryann Geddes

Maryann Geddes is based in Christchurch and is a director of Southern Lakes English College. She was previously Group Manager Risk and Compliance at Skyline Enterprises, based in Queenstown. Maryann worked for Skyline from 1994-2020 and was also part of the NZIST Establishment Board.

Other governance roles have included RNZRSA, the Tourism Industry Association, the Otago Southland Employers Association, the Aviation, Tourism and Travel Training Organisation and the Hospitality Standards Institute.

Kathy Grant

Kathy Grant is currently a director of the Southern Cross Health CLT Limited, and Waitaki District Health Services Limited. She is a former Associate in the Dunedin legal practice of Gallaway Cook Allan. Kathy was previously a member of the NZIST Establishment Board, a member of the University of Otago Council, Chair of Otago Polytechnic and council Chair of the Dunedin College of Education. In 2015, the Minister of Health appointed Mrs Grant as Commissioner of Southern District Health Board (DHB) following the disestablishment of the DHB.

Jordan Gush

Jordan Gush is a BCITO apprentice and co-chair of the Interim Learner Advisory Committee. He was part of the Working Group brought together to formulate recommendations for the establishment of the Interim Learner Advisory Committee and has been a work-based learner representative on Te Poari Akoranga - Te Pūkenga Academic Board. He is of Samoan and New Zealand European descent.

Tania Hodges

Tania Hodges JP (Ngāti Pāhauwera, Ngāti Ranginui, Ngāti Hauā, Tuwharetoa, Maniapoto Kahungunu) is Managing Director of Digital Indigenous.com Ltd, providing advice on governance and leadership, strategic development, change management, Māori and iwi relationships, and community development. She has an MBA and qualifications in social science, business research and Te Reo Māori to complement her Registered Psychiatric Nursing qualification.

Sam Huggard

Sam Huggard is the former National Secretary of the New Zealand Council of Trade Unions 2014-2019, where he led the union movements' work on just transitions. Sam is currently an employee of NZEI Te Riu Roa. He is an experienced not-for-profit sector leader, with 20 years' service across trade unions, the community sector and students' associations. His governance experience includes government, not-for-profit, academic and industry advisory bodies.

Dr Teorongonui Josie Keelan

Dr Teorongonui Josie Keelan (Ngāti Porou, Ngāti Awa, Tūhoe) is co-chair of Komiti Māori and has worked in tertiary education for 30 years. She was Dean of Teaching and Learning, Mātauranga Māori at Unitec from 2012-2019. She is currently a Senior Research Fellow at Ngā Pae o te Māramatanga, the University of Auckland. Prior to working in tertiary education, she held several roles in the public sector at iwi, national and international levels. The most challenging was that of Executive Secretary for her iwi authority, Te Rūnanga o Ngāti Porou, when it was first established in 1985.

Jeremy Morley

Jeremy Morley brings a wealth of experience in financial and operational management and leading change processes. He has worked on major assignments in the tertiary education sector including assisting providers with a range of financial, operational and academic matters.

Prior to joining Te Pūkenga Council, he was a Director at PwC New Zealand and an independent consultant to the Risk and Audit Committee of the Tertiary Education Commission.

Heath Sawyer

Heath Sawyer (Ngati Awa, Ngati Hokopu) is co-chair of the Interim Staff Advisory Committee and a Principal Academic staff member at Te Kuratini o Waikato (Wintec). He was previously a Primary School Principal and National Facilitator for the Ministry of Education's Managed Learning Environment team. At Wintec, he has taught on the Graduate Diploma for Information Technology in Education and is currently supporting programme and tutor development for Physiotherapy, and the Centre for Trades, and is involved in a range of other projects.

Ngā Komiti a te Kaunihera | Committees of the Council

Appointment and Remuneration Committee

The objective of the Committee is to oversee the effective management of:

- the appointment and remuneration of the Chief Executive and their direct reports
- some aspects of the appointment of the Tier 2 kaimahi
- the appointment, removal, and replacement of directors of the wholly owned subsidiaries of Te Pūkenga and fees for those directors.

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

Risk and Audit Committee

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

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

Members:
John Brockies (Committee Chair), Kathy Grant, Jeremy Morley, Kim Ngārimu, Murray Strong.

Finance and Capital Investment Committee (FinCap)

The objectives of the Committee are to:

- recommend to Council the approval of the finance strategy for Te Pūkenga and maintain oversight of its implementation and review
- monitor the finances of Te Pūkenga so as to satisfy Council that they are managed in a way that:
  a) maintains solvency at all times
  b) minimises the risk of external intervention in the affairs of Te Pūkenga
  c) promotes achievement of Te Pūkenga annual budget, mission and strategic objectives
- assist the Council in fulfilling its strategic, financial and compliance responsibilities through oversight of the capital assets and infrastructure of Te Pūkenga and its subsidiaries.

Members:

Kathy Grant (Committee Chair), John Brockies, Tania Hodges, Teorongonui Josie Keelan, Murray Strong.

Health, Safety and Wellbeing Committee

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

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

Members: Sam Huggard (Committee Chair), Peggy Fairbairn-Dunlop, Maryann Geddes, Teorongonui Josie Keelan, Heath Sawyer, Murray Strong.

Transformation Committee

In response to the strategic advisory review carried out in February 2022, the Transformation Committee was established to help guide decision making and design thinking behind the transformation programme and to monitor its implementation.

The objectives of the Committee were to:

- focus on the mechanical aspects of the transformation and facilitate the Council delivering the Horizon One Transformation
- focus solely on the transformation programme to increase pace and strengthen the Council's ability to ensure effective governance oversight of management's ability to deliver on the transformation programme and the MVP for 1 January 2023.

Members: Murray Jack (Committee Chair), John Brockies, Kim Ngārimu, Sir Brian Roche, Murray Strong.

The Committee was dis-established on 9 February 2023 by Council resolution.

Te Poari Akoranga

As required by the Education and Training Act 2020, Te Pūkenga Council has established an academic board, Te Poari Akoranga. This committee consists of Te Pūkenga Chief Executive and members of the kaimahi and ākonga of Te Pūkenga. The committee provides strategic academic direction and leadership in Ako, and a national infrastructure to ensure quality, compliance and consistency of holistic learning experiences across the network.

It strives to reflect the principles of ōritetanga (tertiary success for everyone), innovation, harmonisation and collaboration across Te Pūkenga academic network.

Members: Angela Beaton (Committee Co-Chair), Megan Gibbons (Committee Co-Chair), Jeanette Grace (Committee Co-Chair), Michael Alsford, Linda Aumua, Fiona Beals, Te Urikore Biddle, Mary-Liz Broadley, Glynnis Brook, Te Wai Collins, Hamish Duncan, Peggy Fairbairn-Dunlop (observer), Henry Geary, Annemarie Gillies, Kieran Hewitt, Kim Isherwood[3], Diane Lithgow, Doug Pouwhare, Jasmine Te Hira, Deborah Young.

Advisory Committees

In accordance with the Education and Training Act 2020, Te Pūkenga Council is informed by three advisory committees – the Learner Advisory Committee, the Staff Advisory Committee (known as Kaimahi Advisory Committee), and the Māori Advisory Committee (known as Komiti Māori).

The purpose of these Advisory Committees is to ensure active participation and representation of each group at a governance level. Interim versions of the three Advisory Committees were established in August 2021 to ensure the represented groups were able to participate in the development of Te Pūkenga Operating Model while the organisational structure was designed.

The interim committees will continue to function until they are replaced by permanent committees which are due to be in place by the end of September 2023.

[3] We would like to acknowledge the sad passing of Kim Isherwood in January 2023 following an illness. We thank her for her mahi as part of Te Poari Akoranga.

Komiti Māori | Interim Māori Advisory Committee

Komiti Māori represents ākonga Māori, their whānau, hapū and iwi, Māori employers, and Māori communities.

Members of Komiti Māori were appointed by Te Pūkenga Council on the joint advice of the Chief Executive of Te Pūkenga and the Chair of Mātauranga Iwi Leaders Group. The group of experts provides Council with advice, quality assurance and critical thought leadership. During 2022, they have made recommendations for the terms, conditions, scope and powers of the permanent Māori Advisory Committee, which will be in place for 2023.

Members: Teorongonui Josie Keelan (Committee Co-Chair), Bentham Ohia (Committee Co-Chair), Te Pūoho Katene, Ramari Raureti (IKAC Rep), Glenda Taituha, Jasmine Te Hira, Dahrian Watene (ILAC Rep).

Interim Learner Advisory Committee

The Interim Learner Advisory Committee (ILAC) represents the voice of learners with a particular focus on the inclusion of Māori, Pacific, disabled, LGBTQI+, International and work-based ākonga.

The group contributes to the development and review of key strategic matters with Te Pūkenga Council, and also provides advice to the Council on significant matters relating to the Council's strategic direction, Te Pūkenga legislation, as well as any frameworks or policies relevant to learners or delegated to the Committee by the Council.

The Committee's framework draws on elements from our subsidiaries' learner committees which will be tested ahead of the appointment of a permanent committee in 2023.

The Committee was shortlisted for the Te Kawa Mataaho Public Services Commission's Spirit of Service award for good governance in 2022.

Members: Jordan Gush (Committee Co-Chair), Dahrian Watene (Committee Co-Chair), Hamish Duncan, Skyla Flower, Henry Geary, Nina Lee Griffith, Lupe Kautoke, Ezra Tamati, Cecily Zhou.

Interim Kaimahi Advisory Committee

The Interim Kaimahi Advisory Committee represents our kaimahi (staff) voice in the development and review of key strategic matters with Te Pūkenga Council. The 2022 Interim Committee has designed and tested the Committee framework and processes before a permanent Kaimahi Advisory Committee starts in 2023. Each Te Pūkenga ITP subsidiary has elected a representative to the Interim Kaimahi Advisory Committee, and in turn they have elected two Co-Chairs, as well as representatives to Te Poari Akoranga and Komiti Māori. Elections for a permanent committee are due to take place later in 2023.

Members: Heath Sawyer (Committee Co-Chair), Nippy Paea (Committee Co-Chair), Andrea Armstrong, Linda Aumua, Ali Bahmad, Mary-Liz Broadley, Scott Casley, Ang Cooper, Jessica Costall, Craig Ludlow, Henry Ma'alo, Ian MacDonald, Barry Paterson, Ramari Raureti, Warwick Shillito, Jody Takimoana, Rhys Thurston, Keri Youngman.

Te Pūkenga Work Based Learning Board

Te Pūkenga Work Based Learning (WBL), a subsidiary of Te Pūkenga, reports to Te Pūkenga Work Based Learning Board.

In turn, Te Pūkenga Work Based Learning Board reports to Te Pūkenga Council.

The WBL Board was dissolved on 31 December 2022.

Members: John Brockies (Chair), Andrew Clearwater, Vanessa Eparaima, Grant Florence, Maryann Geddes, Mike King, Andrea McLeod, Rick Powdrell, Bruce Robertson, Craig Stinson, Murray Strong, Bryn Thompson, Brian Warren.

Rōpū Kaiarataki | Leadership Team

During 2022, we farewelled various members of the executive team and made new appointments as we continued to evolve as part of our transition journey. The contributions of the outgoing members of the executive – Stephen Town as Chief Executive, Ana Morrison as Deputy Chief Executive (DCE) Partnerships and Equity, Tania Winslade as DCE Learner Journey and Experience, Vaughan Payne as DCE Operations, Dr Angela Beaton as DCE Delivery and Academic[4], and Warwick Quinn as DCE Employer Journey and Experience – have been significant in building the foundations for our future. Each has provided valuable leadership over the past two years, which will continue to guide us in the next phase of our journey.

This is Te Pūkenga leadership team as of 31 December 2022:

- Peter Winder, Chief Executive, appointed December 2022
- Toby Beaglehole, Chief Executive, Te Pūkenga Work Based Learning, appointed October 2021[5]
- Richard Forgan, DCE Strategy and Transformation, appointed July 2022, departed February 2023[6]
- Dr Megan Gibbons, DCE Academic Centre and Learning Systems, appointed December 2022
- Gus Gilmore, DCE Ako Delivery, appointed December 2022
- Andrew McSweeney, DCE Learner and Employer Experience and Attraction, appointed December 2022
- Teresa Pollard, Chief Digital Officer, appointed July 2022
- Keri-Anne Tane, Chief People Officer, appointed October 2022
- Michelle Teirney, Chief Financial Officer, appointed November 2022.

We had two vacancies in our leadership team as of 31 December 2022 – the Chief of Staff, Office of the Chief Executive and Deputy Chief Executive, Tiriti Outcomes.[7]

Peter Winder
Te Pūkenga Chief Executive

Toby Beaglehole
Te Pūkenga Work Based Learning Chief Executive

Richard Forgan
DCE Strategy and Transformation

Dr Megan Gibbons
DCE Academic Centre and Learning Systems

Gus Gilmore
DCE Ako Delivery

Andrew McSweeney
DCE Learner and Employer Experience and Attraction

Teresa Pollard
Chief Digital Officer

Keri-Anne Tane
Chief People Officer

Michelle Teirney
Chief Financial Officer

Local leaders

While we work through the design of the organisational structure, kaimahi continue their work in their existing organisational structure, but as Business Divisions of Te Pūkenga. An exception is delivery kaimahi from The Skills Organisation who operate as EarnLearn and are hosted by Connexis and ServiceIQ.

Each Business Division is headed by a division director.

Several of our leaders finished their contracts at the end of 2022. We acknowledge the significant contributions of Alex Cabrera of Tai Poutini Polytechnic, Dr Caroline Seelig of Open Polytechnic, Chris Collins of EIT, John Snook of WITT, Keith Ikin of MIT and Unitec, and Wayne Jackson of NMIT.

In addition, Dr Linda Sissons, outgoing CEO of UCOL, takes on a project role as Chief Advisor Portfolio Strategy for Te Pūkenga in 2023, supporting the Academic Centre and Learning Systems group.

[4] Dr Angela Beaton was appointed as Acting Executive Director of WITT in January 2023.

[5] Toby Beaglehole was appointed as Managing Director, Work Based Learning divisions in January 2023.

[6] Richard Forgan resigned from his role as DCE Strategy and Transformation in February 2023 and finished with Te Pūkenga on 3 March 2023.

[7] In February 2023, Ziena Jalil was appointed as Chief of Staff, Office of the Chief Executive, and Paora Ammunson was appointed as Deputy Chief Executive Tiriti Outcomes. Both started their roles with Te Pūkenga on 6 March 2023.

Ā mātou whāinga tōmua
Council priorities

1 Tā te Kaunihera Whāinga Tōmua Tahi | Council Priority One: A relentless focus on equity and ensuring participation – we honour and uphold Te Tiriti o Waitangi in all we do.

Ko te pae tawhiti whāia kia tata, ko te pae tata whakamaua kia tina.
Seek to bring distant horizons closer, sustain and maintain those that have arrived.

Te Pūkenga aspires to achieve Te Tiriti o Waitangi excellence and equity in all that we do. This year has seen the ongoing development of the foundational systems and processes previously put in place in 2021 to support Te Tiriti o Waitangi excellence and measure and monitor effectiveness.

Throughout 2022, our network continued to strengthen its partnerships with hapū, iwi and Māori to co-develop strategies and plans to progress the aspirations and priorities of Te Tiriti o Waitangi partners regionally, and to deliver and co-deliver programmes and support services to ākonga Māori.

At a national level, we consolidated our Te Tiriti o Waitangi partnership with the Mātauranga Iwi Leaders Group of the National Iwi Chairs' Forum and strengthened the governance role of Komiti Māori through the appointment of one of its Co-Chairs to Te Pūkenga Council. The Chair of the Council, supported by the Acting Chief Executive and senior Māori executives, presented to the National Iwi Chairs' Forum in November to reaffirm our commitment to this partnership through our Te Tiriti o Waitangi-based relationship with the Mātauranga Iwi Leaders Group.

In March 2022, we undertook a review to determine if Te Pae Tawhiti, our Te Tiriti o Waitangi Excellence Framework, was achieving its core purpose and that – as a framework to guide self-reflection and review – it remained fit for purpose.

The review helped to inform an updated and enhanced version of Te Pae Tawhiti which was released to the network at the end of 2022. Te Pae Tawhiti will continue to guide our planning, implementation, and reporting as we transition into the new organisational structure from January 2023.

A recommendation from the review also led to the development and approval in October 2022 of a Continuous Quality Improvement policy, which will ensure the intent of Te Tiriti o Waitangi excellence is embedded within the policies, processes, systems, and practices of Te Pūkenga as it matures, ultimately improving outcomes for Māori.

We acknowledge the work of our Equity Experts' Group, chaired by Race Relations Commissioner Meng Foon, which provided crucial leadership and strategic advice in relation to our relentless focus on equity. Our Equity Network Groups provided invaluable advice and guidance from representatives and leadership from Pacific, disability, anti-racism, immigrants, wāhine and Rainbow communities.

The leadership and input of these groups led to two significant pieces of work being completed in 2022 – the National Strategic Disability Action Plan and an Integrated Equity Enterprise Framework Prototype.

Two pilots were completed as part of our Tiriti Futures initiative, which supports innovative Māori-led opportunities that are focused on Māori aspirations for the future of work. The first was a pilot with Pūhoro STEMM (Science, Technology, Engineering, Mathematic, Mātauranga Māori) Academy, which aimed to engage 600 new rangatahi Māori in several secondary schools through a partnership with subsidiaries in three regions to provide successful education and vocational STEMM pathways.

The second pilot with Tokona te Raki (the Māori Futures Collective and social innovation arm of Te Rūnanga o Ngāi Tahu), aimed to build innovation and partnership capability in the southern region between the iwi, hapū and the four subsidiaries within the Ngāi Tahu takiwā (boundary).

Significant initiatives were also implemented on a local subsidiary level, including the partnership between Nelson Marlborough Institute of Technology (NMIT) and the eight iwi of Te Tauihu o te Waka a Māui (top of the South Island) to launch Te Ahu o te Reo Māori programme. This Government-funded initiative aims to inspire and support the use and integration of te reo Māori into the learning of all ākonga.

In addition, two Te Pūkenga kaimahi were recognised with Te Whatu Kairangi – Ako Aotearoa Tertiary Educator Awards in 2022, one of the most prestigious teaching awards in Aotearoa New Zealand. Rachel Dibble, Senior Lecturer in Social Services at Otago Polytechnic, and Jamie Smiler, Kaiwhakahaere Rangahau at Whitireia and WelTec, each won the Kaupapa Māori Award in recognition of their teaching practices.

Corresponding outcomes from the Transitional Statement of Intent 2021-2024	
Mana Orite | Māori Partnerships and Equity	
Objective	**Progress**
Mechanisms are in place to enable an effective partnership with Māori including a Māori advisory committee co-designed and formed in partnership with Māori and iwi, and one member elected to Te Pūkenga Council	All of the following statements relate to activity within the 2022 year. • Consolidated Te Tiriti o Waitangi partnership with the National Iwi Chairs' Forum (through Mātauranga Iwi Leaders Group). • Appointment of Komiti Māori (Interim Māori Advisory Committee) co-chair to Council. • Continuous Quality Improvement policy developed and approved. • Integrated Equity Enterprise Framework Prototype developed by Equity Experts' Group. • Tiriti Futures piloted two initiatives to support Māori-led opportunities. • Co-designed unified Māori Cultural Capability (MCC) development prototype in pursuit of a culturally competent organisation.

Summary of ways barriers were reduced and underserved learners were attracted	
Objective	**Progress**
Account to the extent to which the Council has eliminated unnecessary barriers to the progress of students.	• $9M in hardship funding was received in 2021 and distributed across the network in 2021 and 2022. • More than 4,300 ākonga accessed enhanced mental health services offered through a partnership with Te Whatu Ora. • Te Pūkenga Code Advisory Group established to implement the Pastoral Care Code. • Early outreach to new ākonga and their whānau via our network-wide 'Tuakana Teina' and 'Pre-start Whakawhanaungatanga' initiatives where 32 pilots were conducted across 70 percent of the network, targeting over 1,900 ākonga and involving over 128 Te Pūkenga kaimahi.
An account of the extent to which the Council has avoided the creation of unnecessary barriers to the progress of students.	• Used Te Rito insights from ākonga to identify opportunities to enhance Māori, Pacific and disabled learner success, and inform future initiatives and delivery. • Continued input from Interim Learner Advisory Committee – recognised as a finalist in industry awards. • Equity and Ākonga Success Strategy approved (to be implemented as Learner Success Plan in 2023). • Adopted Te Pae Māhutonga Wellbeing Framework, which sits alongside the Equity and Ākonga Success Strategy. • Developed Whiria te Ako, Matāuranga Māori- integrated framework for teaching and learning, which will inform the work that will be undertaken through the Ako Delivery Networks and academic learning systems in 2023.
An account of the extent to which the Council has developed programmes to attract students from groups in the community that are: • under-represented in the institution's student body • disadvantaged in terms of their ability to attend the institution.	• Developed our first ever National Disability Action Plan with extensive input from ākonga across the network. • Te Kawa Maiorooro adopted as a fit for purpose regulatory framework to address equity of opportunity, experience and outcomes, including the removal of barriers in entry requirements. • Unification focused on equitable outcomes by leveraging equity-driven co-design to transform selected programmes (these will be delivered in 2023).

2 Tā te Kaunihera Whāinga Tōmua Rua | Council Priority Two: Delivering customised learning approaches that meet the needs of learners and trainees wherever they are.

Our Te Rito Outcomes Framework, developed in 2021, brought together ākonga-centred research findings to provide a clear view of what ākonga, and those that support them, identified as critical to success.

During 2022, Te Rito action plans were implemented, aimed at advancing equity and inclusion, and successful outcomes for ākonga across Te Pūkenga.

We adopted Te Pae Māhutonga as an aspirational wellbeing framework grounded in Māturanga Māori. It aligns with Te Pae Tawhiti, our approach to Te Tiriti excellence, and Te Rito research into the needs of ākonga and kaimahi who support them.

Equitable access for all ākonga was central to the design and development of our digital strategy in 2022, and work will continue to be done in 2023 to develop a unified and seamless digital experience across our regions that adapts to our learners' needs.

We also developed our Equity and Ākonga Success Strategy, after extensive consultation and co-design with our ākonga and kaimahi and assisted by the Interim Learner Advisory Committee. A 10-year roadmap for how Te Pūkenga creates equitable access and participation for all ākonga, the strategy sets out how we will remove barriers to access, participation, persistence in learning and completion of qualifications, making sure that learners, apprentices and trainees have what they need to thrive and succeed when undertaking vocational or applied training.

The first part of the strategy – the Learner Success Plan - will be implemented in 2023 as a significant piece of work.

During the year, we were the first institution to adopt the Whiria Ngā Rau learner voice and partnering model. Developed by the National Student Associations, Whiria Ngā Rau is a tool to support the Tertiary Education Strategy's primary objective of learners at the centre of education and informs approaches to learner engagement, voice, and partnering.

In addition, we trialed two initiatives across a large part of the network to increase access, participation, and retention of our underserved ākonga. The 'Tuakana Teina' peer-mentoring for learners and 'Whakawhanaungatanga for pre-start' initiatives both build on existing practice with potential and are designed to welcome new ākonga and their whānau. These will be scaled up in 2023.

Initiatives were implemented at a local level, including the launch of a neurodivergent peer support group on campus at NMIT, the opening of Rainbow and prayer rooms at WITT and the celebration of Gay Christmas and Transgender Awareness Week at Ara. In addition, Unitec's supported learning students visited Waitangi on their first ever overnight trip.

Our ongoing efforts were also recognised. Wintec achieved Advanced Gender Tick accreditation, and Open Polytechnic achieved the Ako Aotearoa New Zealand Dyslexia Friendly Qualify Mark.

During the year, we completed a stocktake of WBL business divisions to get a complete view of all systems and practices. This helped us better understand how the work-based learner voice is captured and used to improve the learning experience, leading to better educational outcomes.

A new integrated data infrastructure, implemented in 2022, helps provide a whole-of-journey picture for our learners including employment pathways, income prospects and the number of times a learner changes jobs after they graduate. It also provides much-needed clarity on the disparity that may exist for our ākonga once they have finished their studies and have been in the workforce for several years.

Ākonga responded well to our equity initiatives, with many being recognised as examples of industry best practice. Eighty-nine percent of ākonga said they were satisfied with their learning experience, according to our first ever network-wide Learner Satisfaction Survey.

We saw great collaboration across our network to help meet the needs of our learners and trainees. As an initial pilot for a wider network model, the Open Polytechnic worked with Ara and Tai Poutini Polytechnic to provide on-campus facilities for distance learners, and Tai Poutini Polytechnic and Primary ITO partnered to align agricultural training on the West Coast so that learners could move between campus-based and on-the-job learning.

BCITO and UCOL worked together to develop a Construction Trades Supervision Level 5 qualification delivered through blended learning.

Corresponding outcomes from the Transitional Statement of Intent 2021-2024	
Ākonga at the centre	
Objective	**Progress**
Increasing percentage (or number) of subsidiaries who have adopted the Learner Success Framework	In 2022, all ITP subsidiaries submitted Te Rito Outcomes Framework Plans, including all WBL business divisions that were part of Te Pūkenga at the time. Additionally, in July 2022, Te Pūkenga Council adopted the Equity and Ākonga Success Strategy. The strategy uses the Learner Success Framework and outlines how Te Pūkenga will advance initiatives across the seven capabilities of the Learner Success Framework over a 10-year period.
Learner-centred design working groups mobilised	This forum continues to contribute to the design of learner focused frameworks, strategy and the evaluation of initiatives. Agreed initiatives are then brought to life through establishing and mobilising kaimahi groups such as Wellbeing Champions, Pastoral Care Code Advisory Group, Learner Voice Support Staff Advisory Group, Network Quick Wins Steering Group, Disability Action Plan Advisory Group, Combined Data Insights Group, and the Ākonga Wellbeing Forum.

3 Tā te Kaunihera Whāinga Tōmua Toru | Council Priority Three: Using our size and scale to strengthen the quality and range of education delivery throughout Aotearoa New Zealand. Excellence in educational provision for all.

During 2022, we have established a method of academic delivery innovation that supports a seamless system of education and training, increasingly standardises our programmes and delivers on our focus of ākonga at the centre.

The development of Whiria Te Ako as our learning and teaching framework was significant. It provides for nationally recognised practises, while allowing for regional and discipline-related responsiveness and local relevance.

The Rangahau Research Forum (RRF), made up of research directors and kairangahau Māori from across the network, set goals in 2022 of giving effect to Te Tiriti o Waitangi, providing exceptional learning experiences and equitable outcomes for Māori, and assisting Te Pūkenga to become a connected, relevant and future-focused education provider driven by innovation, research, data-driven decision-making and teaching excellence.

In addressing these goals, the Forum contributed to the development of the Whiria Te Ako framework and contributed to the design and development of an ethics framework for rangahau and research at Te Pūkenga, drawing on ethics committees across the motu to pilot it.

The Forum has also been actively involved in the revision of the Performance Based Research Fund (PBRF), helping ensure that Te Pūkenga views are a part of the TEC's PBRF revisions. The Forum will work on network-wide submissions for the next PBRF round in 2026.

We established Ako delivery networks as national communities of practice, aligned to the industry grouping of the Workforce Development Councils which they support.

In the first wave of unification throughout 2022, 330 programmes were replaced with 51 unified programmes. Half of these have been approved for delivery in 2023, while the remaining programmes are on track for approval in 2023, including Nursing which is considered a key transformational programme.

We also developed a self-assessment tool to evaluate the degree of Matāuranga Māori present in programmes to be unified, in order to help us provide programmes that offer a Te Ao Māori world view.

More than 500 kaimahi and kaiako (teachers) were actively engaged in the unification programme in 2022 and collaboration groups have now been established for 95 percent of the 1,200 qualifications in the portfolio. A series of equity-driven co-design workshops were established to help inform how our programmes are developed in the future.

High-quality standardised programmes

Partnering and collaborating with Workforce Development Councils and Regional Skills Leadership Groups has been a key part of our programme unification process in 2022, as we focus on shaping new and existing qualifications and coherent pathways for ākonga and employers to respond to regional needs.

We will continue to build on these relationships as we leverage our national network of delivery to drive a network of provision that prepares ākonga for the future of work, particularly through the delivery of work-based and work-integrated learning experiences.

Throughout the course of the year, we have shared data and insights with Workforce Development Councils sourced from our national data models. This is to inform the development and redevelopment of qualification and current pathways, with a focus on ethics, sound governance, partnership, and defining value.

Going forward, we are planning to extend this to shared research practice, engagement with our ākonga and kaimahi, programme development and co-design.

In addition, we have used the regional workforce data and priorities outlined by the Regional Skills Leadership Groups to inform our development of the 2023-2025 Investment Plan, which outlines an all-of-organisation pathway to achieving the expectations for Te Pūkenga as set out in the Act, Charter, and Letters of Expectations.

It is the first Investment Plan that covers the integrated Te Pūkenga network and incorporates the UFS as both the means to driving the transformation of our network of provision, and the way in which delivery will be considered and monitored.

As we prepare for the transfer of technical qualification and funding arrangements to the network for 2023, we will continue to work in partnership with NZQA and TEC.

Harmonised academic regulations

Te Kawa Maiorooro, Te Pūkenga Academic Regulatory Framework which was finalised in 2022, sets out the overarching regulations that apply to learning and delivery at Te Pūkenga and provides ākonga and kaimahi with the regulatory requirements that apply to the ākonga journey from enrolment to graduation.

Brand awareness

In early 2022, the network began a concerted period of co-branding across the motu. This involved the consistent application of Te Pūkenga logo, alongside subsidiary logos, as a means of signaling the establishment of Te Pūkenga and explaining the relationship between Te Pūkenga and the network of subsidiaries.

In September 2022, two further initiatives to signal the establishment of Te Pūkenga were launched. All network learner and employer recruitment advertising adopted a common range of design elements to ensure a consistent 'look and feel' to advertising undertaken across the network. This was done in conjunction with a national launch campaign, aimed at introducing Te Pūkenga on a national scale, to Aotearoa New Zealand.

Early results from these initiatives indicated that positive improvements were being seen in the general understanding and awareness of Te Pūkenga.

Te Pūkenga Programme Business Case

The Programme Business Case (PBC) supports decisions for investment from 2023 to establish Te Pūkenga within a strong, unified, sustainable vocational education system that is fit for the future of work and delivers the skills that ākonga, employers and communities need to thrive. It marks a key step towards realising the aims of RoVE.

It also supports investment decisions to implement an organisational design that will achieve the statutory functions of Te Pūkenga, with a focus on the learner journey. This means moving to a connected national network, unifying delivery and creating national consistency with regional flexibility.

Transformation across Te Pūkenga is substantial and will be implemented in phases, referred to as horizons. Funding has been previously allocated for Horizon 1 to establish Te Pūkenga as an operational entity.

The Programme Business Case lays out funding for the implementation and delivery of Te Pūkenga from 'day one readiness' through to the end of 2026 – Horizon 2. This includes funding for investments in technology and physical infrastructure and new teaching and learning methods – the transformational initiatives Te Pūkenga will undertake to implement and deliver its existing strategies.

The Programme Business Case was submitted to the Minister of Education in October 2022 and is being actively considered by Ministers as part of Budget 2023.

Mahere Haumi Investment Plan 2023-2025

The three-year Te Pūkenga Mahere Haumi Investment Plan covering 2023-2025 details an all-of-organisation pathway to achieving the expectations for Te Pūkenga as set out in the Act, Charter, and Letters of Expectations.

This is the first Investment Plan that covers the integrated Te Pūkenga network and includes recent changes brought about by the UFS.

The plan aligns with Horizon 2 -– the transformative stage of Te Pūkenga development and Operating Model implementation, incorporating work-based learning, online learning, and blended learning delivery, with a focus on moving to an entirely integrated network.

A key expectation is that ākonga will be able to seamlessly transition through learning and employment, facilitated by a fit-for-purpose Te Pūkenga delivery structure and portfolio of programmes.

The Investment Plan was first submitted to the TEC in June 2022, with a revised version submitted in November 2022. The plan will come into effect in 2023.

Corresponding outcome from the Transitional Statement of Intent 2021-2024	
Academic Delivery and Innovation	
Objective	**Progress**
Increasing number of discipline areas where high-quality standardised education and training programmes are adopted across the network	• 330 programmes were replaced with 51 unified programmes in 2022. Half of these have been approved for delivery in 2023, while the remaining. programmes are on track for approval in 2023. • 84 approvals were granted for divisions to deliver programmes for 2022 (or in preparation for start of 2023 delivery) in their area using an approved programme from another division. This increased the speed to meet the needs of those learners, and further reduced duplication by removing the need to develop new programmes.
Establish and mobilise discipline forums	• Steering groups and various working groups have been established to mobilise discipline forums through the unification programme of work. • Steering groups currently established include oversight of unification for more than 90 percent of the programmes offered by Te Pūkenga.

Take wānanga | Case study: Nursing was a key transformational programme in 2022, with three unified nursing degree programmes being developed by a team of Nursing and Mātauranga Māori education and content specialists in collaboration with Te Pūkenga network Heads of Nursing and external clinical partners. The unified programmes – the Bachelor of Nursing Māori, the Bachelor of Nursing Pacific and the Bachelor of Nursing – have been endorsed by Te Poari Akoranga (Te Pūkenga Academic Board) and are now progressing through the accreditation and approval process with NZQA and the New Zealand Nursing Council.

Professor Stephen Neville has been appointed as National Head of Nursing – Transitional to oversee the implementation of the unified programmes in 2023, which will see the Bachelor of Nursing Māori and Pacific programme being offered at MIT and Whitireia, along with the unified Bachelor of Nursing programme commencing at all Te Pūkenga providers that offer a mid-year Bachelor of Nursing programme intake.

4 Tā te Kaunihera Whāinga Tōmua Whā | Council Priority Four: Services that meet the specific regional needs of employers and communities.

Industry and employers are a critical partner for Te Pūkenga and we established a series of significant strategic partnerships in 2022, with more in the pipeline for 2023.

By aligning ourselves more closely to Workforce Development Councils and Regional Skills Leadership Groups, we are ensuring that the needs of employers are integrated throughout the wider transformation programme so that we can be relevant and responsive to their changing skills needs.

Throughout 2022, we have continued to develop direct relationships with the more than 35,000 employers who make their workplaces available for on-the-job training. This will increase over the coming year as we integrate industry training into our new network and offer education and training at a national scale.

Earlier in the year, we solidified our relationship with New Zealand Defence Force (NZDF) and signed a long-term master agreement to provide more than 4,500 learners annually with ongoing skills and development at all levels of the qualification framework. This agreement helps meet demand, as well as provide consistency and growth across our delivery. Both NZDF and Te Pūkenga are required to give effect to Te Tiriti o Waitangi in all aspects of their operations and are committed to improving outcomes for Māori and the bicultural competency of all their people. NZDF learners identifying as Māori and Pacific are achieving qualification outcomes equal to that of other NZDF personnel, and well above their counterparts in general student populations. As we work more closely with NZDF, there is the opportunity to learn what works for us and how it might be applied across our network and employers who engage with us.

In December 2022, we signed an agreement with Ara Poutama Aotearoa Department of Corrections to provide improved leadership of the current and future range of programmes we deliver to people in their care, along with the Corrections workforce. It will increase the number of people with qualifications and better prepare people in Corrections care for community reintegration, qualification progression and employment. Te Pūkenga currently delivers training to Corrections through six former ITPs and six TITOs at Corrections sites across the motu.

As part of our year-long Memorandum of Understanding with the Energy Academy, we staged a successful trial based on expanding work-integrated learning within the electricity services industry. We are now looking to introduce the next phase and 'unbundle' the course content in a way that allows employees to grow their workplace skills by accessing only the parts of a course that they need, when they need them. The Energy Academy is working with Waihanga Ara Rau (Construction and Infrastructure Workforce Development Council) to ensure that skills gained in this way are formally recognised.

Similar work is underway in health (New Dunedin Hospital Project) where there are considerable potential opportunities around construction, infrastructure and design, and provision of suitably skilled healthcare workforce.

Work is being done in this area on a local level, with Tai Poutini Polytechnic launching a joint initiative with the Department of Conservation with the plan of establishing a Conservation Sector Skills Academy.

Research carried out by a group of our WBL business divisions in 2022 provided clear insight into the needs of employers as part of the transition, including a greater need for tools around upskilling, consistency in communications, and requirements for coaching and mentoring.

As a result, an onboarding video was produced for employers which will be implemented in 2023. The employer research is also being used across other parts of the network.

We are also exploring partnerships with industry groups to support employers who provide work-based training, adding to the support and guidance already offered to members. This presents a significant opportunity to partner with industry in a way that has not previously been possible and capitalises on the reach and influence of these groups.

Corresponding outcomes from the Transitional Statement of Intent 2021-2024

Employer Aligned

Objective	Progress
Increasing number of employers engaged with Te Pūkenga programmes	• A total of 35,788 employers engaged with programmes in 2022. • Work is continuing with RSLGs, WDCs, other government departments including the Ministry of Business, Innovation and Employment (MBIE), local government, chambers of commerce, regional economic development organisations, iwi, hapū, community and other regional leaders and partners to inform the relevance of our provision going forward.

Take wānanga | Case study:

Kāinga Ora: Building warm and dry public homes
A partnership with Kāinga Ora – Homes and Communities has given our carpentry students at NMIT and Unitec the opportunity to hone their skills and get real-world experience by building Homestar-quality homes that go directly into the community.

It is part of a national Kāinga Ora training partnership programme in which high school trades academies, polytechnics and corrections facilities are providing new, warm, dry public homes for social housing customers in the Auckland, Wellington, Nelson-Tasman, Gisborne, Hastings, Dargaville, Rotorua, Palmerston North and Ōpōtiki areas.

Infrastructure partnership used as blueprint for other business divisions
A major infrastructure partnership established between Te Ahu a Turanga: Manawatū Tararua Highway project and UCOL in 2021 to provide local people with training and employment opportunities has been used as a blueprint for business divisions around the motu who are co-located with other major projects.

The partnership provides ākonga and kaimahi from both organisations with access to skills, training and knowledge that will benefit them, their whānau, the community and the wider construction sector.

In 2022, six students from local Manawatū/Whanganui high schools completed their NZ Certificate in Infrastructure Works Level 2 as part of the partnership, benefitting from the ability to work on one of the country's most significant construction projects as part of the course.

The group is looking to take its learnings further south when work on the Ōtaki to North of Levin (O2NL) highway starts. UCOL is also sharing its learnings with Whitireia and WelTec around the RiverLink project in Hutt City, a partnership project with Waka Kotahi NZ Transport Agency, Hutt City Council, the Greater Wellington Regional Council and mana whenua.

5 Tā te Kaunihera Whāinga Tōmua Rima | Council Priority Five: Transition educational services in a smooth and efficient manner.

The vision of Te Pūkenga and the Reform of Vocational Education is to create a unified, sustainable, national network of regionally accessible vocational and on-the-job learning and training that is fit for the future. A system that is responsive to the needs of all, including ākonga -- and in particular, Māori, Pacific and disabled learners -- whānau, kaimahi, employers, industries and communities.

This is a once-in-a-generation transformation that is large and complex, and therefore we are planning to achieve it across three horizons - Horizon 1: 1 January 2023, Horizon 2: 1 January 2026 and Horizon 3: 2027 – 2033 and beyond.

In line with good practice, an independent strategic review of the transformation programme was undertaken in early 2022 to identify issues and risks and provide practical recommendations to support a successful transformation programme.

A key outcome of the strategic review was the Minimum Viable Product (MVP) for 1 January 2023. This outlined the minimum activity required to transition to Horizon 1 as described in the "What You Can Expect" document.

The implementation of this MVP, including the requirement under the Education and Training Act 2020 to dissolve all ITP subsidiaries by 31 December 2022, was the core focus of transition activities over 2022.

The Institutes of Technology and Polytechnics were dissolved, legally becoming business divisions of Te Pūkenga. This was achieved ahead of schedule and with minimal disruption to business as usual. Our two 'early movers' to Te Pūkenga – Toi Ohomai and Wintec – were the first to transition in June 2022, and provided us with valuable insight into what we could do to make the full transition as smooth as possible. This was followed by the other 14 Institutes of Technology and Polytechnics, who moved into Te Pūkenga in stages, with the last group moving on 1 November 2022. Executive directors were appointed to our business divisions in order to maintain delivery.

We also formally welcomed five Transitional Industry Training Organisations, and elements of a sixth, into Te Pūkenga Work Based Learning Limited, joining the three who transitioned in 2021. Work Based Learning divisions then transitioned to become business divisions of Te Pūkenga ahead of schedule on 1 January 2023.

With the reset decision in early July 2022, alignment of projects against the MVP domains (Operating Model; Organisational Performance; Learners, Employers, Staff Transition; and Key Systems) was analysed and reconfirmed. By the end of 2022, we had successfully implemented the majority of the MVP.

Key achievements included confirming the high-level organisational structure and the executive roles that would lead it. We consulted on the proposed structure and roles with our network and received nearly 3,000 pieces of feedback that were used to refine our proposal. With the right leadership structure in place, we then confirmed our timeframes for consultation and the next phase of transition. This will enable us to run several smaller, staggered consultations throughout 2023, focused on kaimahi affected by design proposals, while minimising disruption to education delivery to ākonga.

The integration of on-the-job training with online and campus-based training is a significant undertaking for Te Pūkenga as we continue to develop direct relationships with the more than 35,000 employers who make their workplaces available for on-the-job training.

Managing organisational health and capability

Alongside organisational design, key preparations to engage and ready our kaimahi for transition included the development of foundation strategies, policies and procedures, capability development and importantly, the establishment of Te Pūkenga employment agreements – both individual and collective.

Beyond our strategic outcomes and legislative requirements, our aim in each of these developments was to bring together and enable our diverse workforce, ensuring equity and inclusion. This was increasingly important as our feedback from our kaimahi through hui, roadshows, surveys, and union seminars had identified a high level of change fatigue, confusion with leadership and purpose, workload balance challenges, and the ongoing impacts of COVID-19.

The results of our two Aromātai Kaimahi network-wide surveys held in 2022 told us that kaimahi would like more open communication, with tangible details on how their roles fit within the organisation. They also shared the desire for wellbeing support as well as a strong understanding of the need for change, and desire to embrace change locally.

As an element of our response, we piloted and launched Taumauri, our digital wellbeing platform which shares wellbeing initiatives for kaimahi and their whānau, introduced several key capability programmes, and introduced a new online recruitment module and workshops to support our recruitment efforts. We also trialed a network-wide intranet, due to launch in early 2023.

Equal Employment Opportunities Programme

In October 2022, we further advanced our equal employment opportunities programme with the launch of a network-wide Diversity, Equity and Inclusion policy. The policy outlines the principles that ensure our current and prospective kaimahi are treated fairly and equally in all matters relating to their employment. It sets our intent in respect to empowering kaimahi to develop their full potential, celebrating the range of unique backgrounds and characteristics reflective of a diverse and inclusive workforce.

We also continued to advance our reporting methods and mechanisms to enable the capture of more timely and accurate data to better understand the diverse makeup of our workforce.

Capital Asset strategy and network stabilisation
The Capital Asset response and interim Capital Asset Management Strategy (CAMS) continues to support the organisation with a one-to-three-year approach. We continue to develop and implement key property strategies prioritised in the development of the CAMS. We are committed to the active protection and care of Mātauranga Māori (Māori knowledge), Taonga Māori (Māori artifacts and treasures) and Tikanga Māori (Māori protocols), in practice.

In 2022, work was undertaken to develop processes to ensure that there was protection, use and benefit mechanisms in place where required, that the Capital Assets Management system is able to classify Taonga Māori, and that there is a disputes resolution process grounded in Tikanga Māori available, if required.

Financial sustainability
Our financial sustainability continued to be a key area of focus in 2022, and a network-wide programme of cost reduction was implemented. A cost reduction task of approximately 3 percent at each business division was largely met. In line with our Programme Business Case, we have budgeted for a further deficit in 2023, and then anticipate a path to profitability from 2024.

Going into 2023, we will maintain an ongoing focus on revenue generation and network engagement, and implement a staged approach to organisational design.

Governance and accountability
An independent review of the governance arrangements of Te Pūkenga, conducted by Dame Karen Sewell and Belinda Clark, was completed in April 2022. The review made 12 formal recommendations which covered both structural and operational issues. All but one of the operationally focused recommendations (this being the number of regions for Te Pūkenga) were implemented in 2022. The structural recommendations proposed may only be implemented following legislative amendment agreed to by Government.

The continued roll-out and implementation of the Enterprise Risk Management framework over 2022 (together with the underlying systems) moved the dial to a more consistent approach to risk management across the network. To ensure that risk across the network is being assessed and fed into the Enterprise Risk Register (where appropriate), risk escalation criteria have been developed to guide decision making around how, when and where risks across Business Divisions, projects and programmes, along with Wellbeing and Safety, should be escalated for appropriate risk management.

ITPs transferred to Te Pūkenga	Transfer date
Toi Ohomai Institute of Technology	1 June 2022
Waikato Institute of Technology	1 June 2022
Whitireia Community Polytechnic Limited and Wellington Institute of Technology	1 September 2022
Manukau Institute of Technology	1 October 2022
Nelson Marlborough Institute of Technology	1 October 2022
Northland Polytechnic	1 October 2022
Tai Poutini Polytechnic	1 October 2022
Unitec New Zealand	1 October 2022
Ara Institute of Canterbury	1 November 2022
Eastern Institute of Technology	1 November 2022
Open Polytechnic of New Zealand	1 November 2022
Otago Polytechnic	1 November 2022
Southern Institute of Technology	1 November 2022
Universal College of Learning	1 November 2022
Western Institute of Technology at Taranaki	1 November 2022
TITOs transferred to Te Pūkenga Work Based Learning Limited	**Transfer date**
Competenz	2 August 2021
Connexis	1 September 2021
BCITO	4 October 2021
MITO	1 January 2022
ServiceIQ	1 July 2022
Careerforce	1 September 2022
HITO	19 September 2022
PrimaryITO	1 October 2022
EarnLearn (formerly part of The Skills Organisation)	1 October 2022
Te Pūkenga - Work Based Learning Limited Disestablished	31 December 2022

Corresponding outcomes from Transitional Statement of Intent 2021-2024

Operating Model

Objective	Progress
Operating Model designed and agreed by Te Pūkenga Council by 31 December	In 2021, we developed an operating model of a nationally enabled, regionally led network focused on meeting learner and employer needs, and national skills requirement. In 2022 (and 2023), Te Pūkenga is working to ensure its operating model is being reflected in its structure, systems and processes. Highlights of this implementation in 2022 include: • Completion of phase one (of three) of organisation structural design by establishing a new leadership team and business unit structure aligned to the operating model. • Increased the use of technology in curriculum delivery to support and enable learners and their learning success wherever they study. • Reviewed and developed options, products and services for delivering learning and support through on-the-job, on-campus and online learning, encouraged employers' participation with flexible work-integrated learning and provided ākonga with more support while they are training.

TITO and work-based learning

Objective	Progress
Increasing number of apprentices and trainees engaged in on-job training	The industry training STM (standard training measure) for volume of delivery in 2022 was 23,516 compared to 21,334 in 2021. Working groups and service delivery trials were established to support and encourage this growth, including: • Learner and Employer Success Working Group to share knowledge and information on pastoral care and employer engagement, including Language, Numeracy and Literacy initiatives. • Te Kāhui Mātauranga to share knowledge and information on Education and Quality Assurance, including development of a new Programme of Study template to register new programmes with NZQA. • Otago Region Service Delivery Trial for Carpentry Level 4, demonstrating a coordinated response to delivery to improve learner experience. • Civil Infrastructure Future of Work Service Delivery Trial to provide a coordinated response to delivery through the development of programmes that enable on-job, on-campus and online modes of learning. • Digital work-based learning trial with Toi Mai Workforce Development Council to develop a Level 5 programme for the workplace. This is a new initiative as there was no mandated coverage area for ITOs for ICT.

Managing organisational health and capability

Objective	Progress
Summary of equal employment opportunities programme for 2022	Various initiatives were launched during 2022, aimed at supporting equal employment opportunities. These include: • Te Pae Māhutonga wellbeing framework launched. • Implementation of an online wellbeing platform, Taumauri. • Incorporation of values into People, Culture and Wellbeing deliverables. • Diversity, Equity and Inclusion Policy launched. • Remuneration Policy launched. • Recruitment Policy launched.

Account of the extent to which the Council was able, during the year to which the report relates, to meet the equal employment opportunities programme for that year	• Launch of an online wellbeing platform, Taumauri • Supported leaders and kaimahi with several key capability programmes in 2022, including a series of Navigating Change seminars and videos and online training programme on Mindfulness and Resilience • Finalisation of Māori Cultural Capability Development Framework, aiming to progress our aspiration for a highly culturally capable workforce. Due to launch 2023 • Launched policies on Recruitment, Remuneration, Diversity, Equity and Inclusion, Protected Disclosure, and Wellbeing and Safety • Completion of Allied Kaimahi TIASA Collective Employment Agreements, effective 1 January 2023 • COVID-19 National Response Working Group remained on standby during 2022.

Network Collaboration[8]

Objective	Progress
New international strategy developed	• Launch of new international strategy at key industry event in the United States of America, attended by then Education Minister Hon Chris Hipkins • Formation of key international partnerships, including Philippines Government vocational education group TESDA (facilitated by Government to Government, G2G), and Future Focus Programme (FFP) agreement with Education New Zealand to support transition of our international activities, including research and recruitment.

Governance and Accountability

Objective	Progress
All legislative requirements met	• The process to achieve attestation in relation to 2022 legislative compliance across each Te Pūkenga business divisions and Te Pūkenga central office is underway, with a view to being fully completed during 2023.
External review of effectiveness of Council completed	• External governance review completed in April 2022. All operational recommendations implemented, apart from number of regions. Structural recommendations to be considered by Government.

Capital Asset Strategy and Network Stabilisation

Objective	Progress
Capital asset management strategy is developed by 31 December 2021	The strategy was approved by Council in May 2021. We are actively implementing (where appropriate) improvement projects identified through the strategic development, including the following: • The Capital Asset Investment Governance Framework (CAIGF) developed in 2021 has been implemented to provide Te Pūkenga with a unified approach to addressing investment decisions • The Seismic Strategy and Policy has been implemented and all short-term priorities identified, and actions agreed • High Priority building remediations have been prioritised and programme of works are in design phase • Space planning and optimisation project brief which identifies a uniformed approach to space planning and utilisation reporting has been piloted and next steps will be determined in early 2023 • Asset Management System strategy has been explored and in co-ordination with the Information Systems Strategic Plan will be further developed in 2025.

[8] External and internal satisfaction measures are reported on pages 44 and 45 of the Performance Data Summary

Te Tuku Haurehu Kati Mahana: He Whakarāpopoto | Greenhouse Gas Emissions Summary

In line with the requirement of the Carbon Neutral Government Programme (CNGP), we began to assess and measure our Greenhouse Gas (GHG) emissions during 2022. We focused the bulk of our efforts on accurately measuring our Scope 1 and 2 emissions as the emissions that we have the greatest ability to influence. We also assessed the materiality of our Scope 3 (indirect, or value chain) emissions.

Our suppliers hold the majority of the data we require to calculate our emissions. As a result, some of the emissions presented in this report are estimates only.

Scope 1 emissions are direct emissions that occur from sources operationally controlled by Te Pūkenga, including:

- mobile consumption emissions related to vehicles owned or leased by Te Pūkenga, and operated by our kaimahi, e.g. the petrol and diesel used in our vehicles
- natural gas, coal and LPG used in our facilities
- refrigerants used in our facilities.

Scope 2 emissions are indirect GHG emissions from imported energy, including purchased electricity used at sites we operate.

Scope 3 emissions are indirect emissions from transportation, products (and services) used by the organisation, the use of products from the organisation, and GHG emissions from other sources.

For Te Pūkenga, this includes:

- business travel (primarily flights and accommodation).
- waste generated in our facilities and disposed of at landfill sites.
- transmission and distribution losses associated with our use of electricity and natural gas.

While we anticipate that emissions from kaimahi commuting and emissions from purchased goods and services are material contributors to our overall emissions, it is not possible at this stage to provide a reasonable estimate of these emissions and as such these have been excluded in this initial summary.

Summary of emissions

Our GHG emissions for the year ended December 2022 are estimated to be 21,000 tCO2-e. Our largest source of emissions is our Scope 1 emissions.

Table 1: Emissions by category

Scope	tCO2-e	% of total
Scope 1	8,960	42%
Scope 2	6,500	31%
Scope 3 - Mandatory	5,800	27%

Table 2: Emissions by activity

Scope	Emissions Source	Emissions - tCO2-e	Accuracy
Scope 1	Stationary combustion - Natural gas	2,100	High
Scope 1	Stationary combustion - LPG	710	High
Scope 1	Stationary combustion - Coal	450	High
Scope 1	Stationary combustion - Diesel	460	High
Scope 2	Stationary combustion - Biomass	0	High
Scope 1	Transport fuels - Vehicle Fleet	4,700	High
Scope 1	Refrigerants, medical and other gases	540	High
Scope 2	Electricity	6,500	High
Scope 3 Mandatory	Flights	3,100	High
Scope 3 Mandatory	Accommodation	120	Medium
Scope 3 Mandatory	Rental Cars	30	Medium
Scope 3 Mandatory	Taxis	120	Medium
Scope 3 Mandatory	Mileage Claims	150	Medium
Scope 3 Mandatory	Employee Work from Home	70	Medium
Scope 3 Mandatory	Transmission and distributions losses (electricity)	600	High
Scope 3 Mandatory	Transmission and distributions losses (natural gas)	130	High
Scope 3 Additional	Paper	220	High
Scope 3 Mandatory	Waste to landfill	390	Medium
Scope 3 Mandatory	Water	60	Low
Scope 3 Mandatory	Wastewater	810	Low
	Total	**21,000**	**tCO2-e**

Next steps

As this is our first footprint, several assumptions and estimates have been made when calculating our emissions and some emissions sources have been excluded. Over the course of 2023, we will work on improving the accuracy of our emissions measurement. We will initially target reducing our Scope 1 and 2 emissions as a priority.

Several emissions reduction initiatives are already in progress, including:

- replacement of coal boilers at SIT with more sustainable options
- reducing our vehicle related emissions through better utilisation of our vehicle fleet, and vehicle electrification.

Additionally, we are in the process of developing a comprehensive emissions reduction plan to meet the CNGP requirements. This plan is anticipated to include:

- reduction of fossil fuel usage across our facilities with a focus on swapping out our oldest and most inefficient fossil fuelled systems (LPG and diesel boilers) for low emissions alternatives
- improvements in energy efficiency across our facilities, including energy monitoring and management, better utilisation of our facilities and investments in more energy efficient equipment such as LED lighting
- waste minimisation
- encouraging kaimahi to travel to work, when possible, using low emissions modes (walking or cycling, public transport, electric vehicles)
- working with our supply chain to reduce emissions.

Raraunga whakatutukitanga
Performance data

Tauākī tutukitanga ratonga | Statement of Service Performance 2022

Our functions and Charter are defined in the Education and Training Act 2020. Our Charter embodies enduring principles for the way that Parliament expects that we operate, to improve outcomes for the vocational education and training system as a whole and equity for ākonga Māori and communities, as well as other underserved groups including Pacific and disabled people.

We are an integral part of the RoVE programme which means we are at the centre of a once-in-a-generation opportunity to design a vocational education and training system that is simple to understand and navigate, and responsive to the needs of ākonga and employers.

The strategic direction of Te Pūkenga, as set out in its governing legislation and Ministerial expectations (and which is reflected in our Statement of Intent), supports the Government's goals for building a productive, sustainable, and inclusive economy and improving the wellbeing of all New Zealanders, and objectives outlined in the Tertiary Education Strategy.

To achieve the above outcomes and improve the quality and consistency of vocational education and training in Aotearoa New Zealand, we are using a staged approach, phased over three time periods called 'Horizons' which reflect short, medium, and long-term aspirations. These being:

Horizon 1: Transition (December 2023) (short term)

Horizon 2: Transform (January 2026) (medium term)

Horizon 3: Embed (2027 – 2033+) (long term)

Our Horizons give us a roadmap to guide our activity and focus our attention on the activity that will have the most benefit and impact on the experiences of our ākonga and their whānau, employers and industry, iwi, and communities. Throughout this journey, Te Pūkenga is committed to creating a sustainable network that embeds Te Tiriti o Waitangi excellence, delivers high-quality vocational and on-the-job learning that puts ākonga with whānau at the centre of what we do, and seeks equity for all learners. This will take time. To do this we need to phase the change, empower, and grow our people on the journey – kaimahi, Māori, ākonga, employers, and regions.

Since 2020, we have focused on transition — setting in place the building blocks, pathways, and systems to support integration of the existing separate entities into a united whole. Our outcomes[9] (see page 4) have been important to us during our journey toward Horizon 1: Transition and our five Council educational priorities have allowed us to focus on certain elements of our outcomes in the near term as we transition to one organisation.

How we performed

Our performance measures are drawn from our 2022 Statement of Performance Expectations and 2022 Investment Plan. We have grouped our non-financial performance measures according to our Council priorities as described on pages 38 to 45.

[9] Our Outcomes are subject to change as our Outcomes Framework is finalised and implemented through 2023.

Appropriation reporting

Scope of appropriation

Establishment of a Single National Vocational Education Institution - this appropriation is limited to operating funding for establishing a single national vocation education institution.

Support for a Single National Vocational Education Institution - this appropriation is limited to capital injections for a single national vocational education institution.

The following table shows Te Pūkenga appropriation:

All in $000s	To 30 June 2022		To 30 June 2021	
Vocational education	**Budget**	**Actual**	**Budget**	**Actual**
Establishment of a Single National Vocational Education Institution	**16,000**	**16,000**	**69,082**	**63,082**
Total appropriation	16,000	16,000	69,082	63,082
Support for a Single National Vocational Education Institution				
Total appropriation - non-departmental capital expenditure	4,157	4,157	20,000	4,000

Budget figures include adjustments made through the supplementary estimates. The figures presented above are GST exclusive.

What is intended to be achieved with the appropriation - Establishment of a Single National Vocational Education Institution
This appropriation is intended to establish Te Pūkenga - New Zealand Institute of Skills and Technology as a leading provider of vocational education, including work-based and online learning.

How performance will be assessed and end of year reporting requirements
Establishment of a Single National Vocational Education Institution.

	To 30 June 2022		To 30 June 2021	
Assessment of performance	**Budget**	**Actual**	**Budget**	**Actual**
The New Zealand Institute of Skills and Technology (Te Pūkenga) submits reports that show it is meeting the targets and milestones in its funding agreement with the Crown	Achieved	Achieved	Achieved	Achieved

What is intended to be achieved with the appropriation - Support for a Single National Vocational Education Institution
This appropriation is intended to enable Te Pūkenga - New Zealand Institute of Skills and Technology to establish and build the core infrastructure to deliver an integrated and collaborative network of vocational education.

How performance will be assessed and end of year reporting requirements
Support for a Single National Vocational Education Institution

	To 30 June 2022		To 30 June 2021	
Assessment of performance	**Budget**	**Actual**	**Budget**	**Actual**
Te Pūkenga submits reports that show it is meeting the targets and milestones in its funding agreement with the Crown.	Achieved	Achieved	Achieved	Achieved

Further details on the performance of Te Pūkenga are provided on pages 38-45.

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

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

	2022		2021	
All in $000s	**Budget**	**Actual**	**Budget**	**Actual**
Outputs				
Teaching and Learning				
Revenue	1,116,570	1,276,739	1,088,320	1,170,612
Expenditure	1,185,344	1,356,314	1,139,473	1,162,351

These figures are for the period 1 January 2022 to 31 December 2022 (2021: reporting period 1 January 2021 to 31 December 2021) as reflected in the Statement of Comprehensive Revenue and Expense, page 55.

Non-financial performance reporting

2021 comparator data reflects previously published results where available. Where new measures or methodologies have been added in 2022, no 2021 comparator is available - see *Measurement* on pg 50. Certain measures relate specifically to learners studying at former ITPs (provider-based) or TITOs (work-based). SAC EFTS (Student Achievement Component Equivalent Full-Time Learners) relates to provider-based learners only. STM (Standard Training Measure) relates to Industry trainees/apprentices in work-based learning only.

Council Priority One:
A relentless focus on equity and ensuring participation – we honour and uphold Te Tiriti o Waitangi in all we do.

	2021	2022		Commentary
	Actual	Target	Actual[10]	
Progress against Te Pae Tawhiti action plans	n/a	Milestones met	Achieved	25 out of 25 milestones were met. Refer to *Individual performance measure disclosure statements* table on pg 46 for additional information.
Te Pūkenga Te Tiriti Relationship model has been established	n/a	Model established	Not achieved	An approach to Te Pūkenga partnership was developed and presented to a number of internal groups and to Council. However, the decision was made change approach and to move away from a static model idea to a framework that outlines Te Pūkenga commitment to entering into active and meaningful partnerships. It was also determined that this is best done once the Regional Co-leads are in place to contribute to the development of the model. The work for this is now happening in 2023.
Equity strategy has been developed	n/a	Approval of equity strategy by Council	Achieved	Te Pūkenga Council received and adopted the Equity and Ākonga Success Strategy in June 2022.
Participation - proportion of learners in priority groups:				
• **Māori learner participation**	21.4%	22%	21%	It is pleasing to see participation remaining stable in our priority ākonga groups, particularly given the challenges with COVID-19 during 2021 and 2022. We expect the learner support initiatives we have started to support these ākonga will lead to future increases in participation.
• **Pacific learner participation**	8.8%	10%	9%	
• **Disabled learner participation**	6.6%	7%	7.1%	

[10] EPI and enrolment data provisional only – see *Measurement* on page 50.

	2021	2022		Commentary
	Actual	Target	Actual[10]	
Equity in course completion for Māori learners				
• **All levels**	-9.7% (2021 Target: -11.0%)	-7.4%	-9.6%	This measures difference in course completion rates for SAC-funded Māori and Pacific learners compared with the non-Māori and non-Pacific learner cohort. Numerical targets are set in our SPE for only combined levels of study. The results for Level 4-7 and Level 7-10 cohorts are provided to service SOI targets of 'disparity reducing' in those cohorts specifically, which we have achieved for the Level 4-7 cohort for both Māori and Pacific learners. Although we have not achieved the remaining targets it should be acknowledged that we have maintained 2021 achievement levels during particularly difficult times with COVID-19, where we know there is greater socio-economic impact on our Māori and Pacific learners and their whānau. These results continue to highlight the importance of transformational initiatives described in earlier sections aimed at improving equity for underserved learners.
• **Level 4-7**	-9.1%	Disparity reducing	-8.7%	
• **Level 7-10**	-4.8%	Disparity reducing	-5.4%	
Equity in course completion for Pacific learners				
• **All levels**	-11.5% (2021 Target: -10.7%)	-11.5% (2021 Target: -10.7%)	-10.7%	
• **Level 4-7**	-13.7%	Disparity reducing	-13.5%	
• **Level 7-10**	-8.6%	Disparity reducing	-8.6%	
Equity in credit achievement for Māori learners	-10.4%	-8%	-13.0%	While it is pleasing to note an improvement in Pacific credit achievement over 2021, neither priority group achievement reached target. Performance for Māori and Pacific learners in work-based learning has been disproportionately impacted by the result of the largest division - BCITO. The division has indicated that learners from these ethnicities are less likely to have achieved NCEA Level 2 or higher, and as such require greater support (pastoral care and language, literacy and numeracy) and take longer to achieve credits. Initiatives to keep these learners in training and enhance the support available will take time to deliver improvement.
Equity in credit achievement for Pacific learners	-16.0%	-11%	-12.8%	

[10] EPI and enrolment data provisional only – see *Measurement* on page 50.

Council Priority Two:
Delivering customised learning approaches that meet the needs of learners and trainees wherever they are.

	2021	2022		Commentary
	Actual	Target	Actual	
Permanent advisory committees to Council for kaimahi, students and Māori are established	n/a	Permanent committees established	Not achieved	Interim committees for learners (ILAC), staff (kaimahi) and Māori (Komiti Māori) remained in place during 2022. In June 2022, Council decided that the establishment of the permanent committees would be delayed until September 2023. Interim committees are working on terms, conditions, scope, and process for establishment.
Develop a network approach to enhancing our secondary-tertiary pathways and pilot initiatives	n/a	Achieve Ministry of Education lead provider status for Trades Academy	Achieved	The 2022 target in this area of performance was to achieve Lead Provider status for Trades Academy. Lead provider status was approved by the Ministry of Education on 28 November 2022, including an approved implementation plan.
Learner (ākonga) satisfaction	n/a	Baseline established through first network-wide survey	89.10%	A total of 98,744 learners were sent the anonymous survey in October 2022. There were 13,314 respondents, giving a response rate of 13.5%. The margin of error was 0.79% at the 95% confidence level. The satisfaction rating is based on a Likert scale and signals the percentage of overall agreement with the following statement: 'Overall, I am satisfied with my experience'. Overall satisfaction for work-based learners (85.6%, n=2,227) was slightly lower than for provider-based learners (89.8%, n=12,196).
Graduate destinations				
Provider-based:				
• **Employed**	n/a	n/a	63%	These results were obtained using graduate outcomes data accessed through the TEC's Ngā Kete application. Based on 2017-2020 provider-based (n=117,830) and work-based (n=100,010) graduate cohorts 1 year after completion. Employed is defined as percentage of graduates who in the outcome year (YR 1 post-study) had income from employment sources above 50% of the minimum wage, measured over the 12 month period.
• **Full-time study**	n/a	n/a	17%	
• **Other**	n/a	n/a	20%	
Work-based:				
• **Employed**	n/a	n/a	83%	
• **Full-time study**	n/a	n/a	4%	
• **Other**	n/a	n/a	12%	

	2021	2022		Commentary
	Actual	Target	Actual	
Course completion Student Achievement Component (SAC) funded				
All learners	77.5%	80.5%	77.2%	Although we have not achieved the targets it should be acknowledged that we have maintained 2021 achievement levels during particularly difficult times with COVID-19, which we know has negatively impacted course completion for many ākonga. The results for Level 4-7 and Level 7-10 cohorts are provided to service SOI targets of 'disparity reducing' in those cohorts specifically, which we have achieved for the Level 4-7 cohort for both Māori and Pacific learners. *2022 targets calculated from weighted average of individual subsidiary targets.
Māori	70.9%	75.7*	70.4%	
• **Level 4-7**	70.0%	Disparity reducing	69.5%	
• **Level 7-10**	82.7%	Disparity reducing	82.6%	
Pacific	69.1%	75.1%*	69.3%	
• **Level 4-7**	65.4%	Disparity reducing	64.7%	
• **Level 7-10**	78.9%	Disparity reducing	79.4%	
Non-Māori and non-Pacific	80.6%	83.0%*	80.0%	
• **Level 4-7**	79.1%	n/a	78.2%	
• **Level 7-10**	87.5%	n/a	88.0%	
Cohort-based qualification completion (SAC funded)	50.3%	55%	51.5%	
Credit achievement (Industry trainees/ apprentices)	60.9%	77%	67.9%	The overall credit achievement for 2022 was behind target due to our inability to increase resources fast enough to keep pace with the volume growth, which was largely due to the Targeted Training and Apprenticeship Fund (TTAF) and apprentice boost initiatives combined with the effect of large enrolment numbers in construction programmes where credits are disproportionately achieved in the latter parts of the programme. Capacity constraints on training advisors, assessor, and learner support had a short-term impact on learner progress, but have now been addressed, and we are anticipating an improvement in credit achievement performance in 2023.
Cohort-based programme completion (Industry trainees/ apprentices)	64.7%	64%	61.9%	The cohort-based programme completion measure has suffered as a result of COVID-19 disruption in 2020 and 2021, whereby training and assessment was adversely impacted and has extended the programme duration for many learners, taking them outside the prescribed time periods used to calculate this measure.
First year retention rate (SAC funded)				
• **All learners**	66.9%	63.9%*	64.1%	It is pleasing to see targets being met for overall learners and non-Māori and Pacific learners however there was a reduction from 2021. The main cohort to experience this reduction was our 2021 intake of part-time learners (which grew from 2020) but did not continue into study in 2022 at the same rate as the 2020 to 2021 part-time cohort. Reasons for this likely include the significant impact of COVID-19 and high level of employment. Within this cohort, the impact has been mostly notable for non-Māori and Pacific learners, with rates for Māori retention similar to 2022 and Pacific retention increasing. *2022 targets calculated from weighted average of individual subsidiary targets
• **Māori**	61.5%	63.7%*	61.7%	
• **Pacific**	61.7%	64.4%*	62.0%	
• **Non-Māori and non-Pacific**	68.7%	63.8%*	64.8%	

	2021	2022		Commentary
	Actual	Target	Actual	
Progression rate from levels 1-4 (SAC funded)				
• **All learners**	36.3%	41.8%*	32.8%	The drop in progression rate is a result of the Government focus on increased training at Level 3 and 4 (TTAF) post-COVID which was targeted to get people into work. This means they are in work and not progressing to further study. *2022 targets calculated from weighted average of individual subsidiary targets
• **Māori**	38.4%	41.4%*	35.2%	
• **Pacific**	39.5%	41.0%*	39.0%	
• **Non-Māori and non-Pacific**	35.1%	42.1%*	31.2%	
Performance against mix of provision targets (volume of delivery)		Meet volume of delivery targets per subsidiary MoP	*See below for individual mix of provision results*	
• **Overall headcount (domestic only)**	197,191 (published value including international learners = 205,328)	Increase	193,885	Target was based on domestic enrolments only for the three TITOs that had transitioned as of 1 December 2021 and 16 ITPs, therefore the actual result provided is from the same dataset. Total domestic enrolments for all entities that had joined Te Pūkenga by end of 2022 was 270,993. *Note: this measure also provides results for the Total Learners measure recorded in the 2022 SPE.*
• **Overall Equivalent Full-time Students (EFTS)/Standard Training Measure (STM)**	83,289 (published value including international learners = 87,766)	n/a	85,194	Although we did not have an overall EFTS/STMs target (target was set as headcount) we have provided this measure for completeness. For comparative purposes the EFTS/STMs result reflects domestic enrolments from the same 16 ITPs and three TITOs as the headcount data above. Total EFTS/STMs for all entities that had joined Te Pūkenga by end of 2022 was 113,138.
• **Industry training (STM)**	21,352	18,589	23,503	Target was based on only three TITOs that had transitioned as of 1 December 2021, therefore the actual result provided is from the same dataset. Total STMs for all TITOs that had joined Te Pūkenga by end of 2022 was 51,447.
• **SAC (EFTS)**	57,366 (2021 Target: 50,850)	57,562	52,286	EFTS for both SAC and YG were below target in 2022 due to high levels of employment within NZ, the movement of learners to work-based learning due to the apprenticeship boost and TTAF, as well as the ongoing impact of COVID-19 on whānau and communities. With increased cost of living, employment is important, and provider-based education can be seen as a luxury.
• **Youth Guarantee YG (EFTS)**	979	1,152	848	
• **International (EFTS)**	4,477	2,802	2,861	While there was a slight improvement in international learners in 2022 from expected numbers, the impact of COVID-19 and closed borders is ongoing.
• **Other (EFTS)**	3,592	n/a	5,696	

Council Priority Three: Using our size and scale to strengthen the quality and range of education delivery throughout Aotearoa New Zealand. Excellence in educational provision for all.				
	2021	**2022**		**Commentary**
	Actual	Target	Actual	
Proportion of qualifications engaged in unification process	n/a	31%	49.5%	This metric describes the percentage of our total qualification portfolio involved in the active stages of unification. The metric includes qualifications that we describe as 'auto-unified' and those involved in co-design and collaborative activities. Due to project maturity and prioritisation, some qualifications have been paused, deferred, or accelerated. Therefore, the metric may fluctuate over time as unification processes evolve and the unification roadmap clarifies. Unification helps us rationalise our legacy qualification and programme portfolios, and helps move us towards high-quality standardised education and training programmes.
Te Pūkenga has finalised its International Strategy	n/a	Strategy approved and imple-mentation underway	Achieved	The International Education Strategy was approved by Council in March 2022. A recruitment plan was approved by the Programme Board in August 2022 with workstreams including agent network, partnerships, events and marketing, fees, and study grants plus Pacific. By December 2022, the majority of that work was complete. The international strategy includes elements relating to improving the quality and reach for international education.

Council Priority Four: Services that meet specific regional needs of employers and communities.				
	2021	**2022**		**Commentary**
	Actual	Target	Actual	
Number of employers entering training agreements	14,977	15,800	16,063	Target was based on only three TITOs that had transitioned as of 1 December 2021, therefore the actual result provided is from the same dataset. As at the end of 2022 all TITOs that had transitioned produced an overall combined result of 35,788 employers with training agreements. The overall combined result for 2022 does however include potential double-ups of employers across TITOs. Where an employer has multiple locations, it is counted once for each site that has a learner who was training. This measure is also reported by division and aggregated to give a total so there may be the same employer/locations reported by multiple divisions. We are working on a solution to deal with multi-site employers in a consistent fashion across the network.
Partner and stakeholder satisfaction				
• **Employers**	n/a	Baseline established	25.6	Net Promoter Score is a measure of the customer experience and is an indicator of the likelihood of business growth through word of mouth. Calculated using data from a survey questions, respondents are asked how likely they are to recommend the business. The score represents the % promoters minus % detractors. In 2022, existing employer survey data (n=1,362) across divisions was combined to provide this baseline NPS. Data did not allow analysis of regional variances.
• **Māori partners**	n/a	Baseline established	Kākano	The 2022 Māori partner satisfaction baseline has been established based on the relationship that Te Pūkenga has with the Mātauranga Iwi Leaders Group. Kākano indicates that a strong relationship is not evident but has potential. The shared and agreed understanding of what the relationship was intended to achieve (goals and principles) is not mutually understood. The relationship is not demonstrated in real or tangible ways that gives us confidence that quality outcomes for whānau, hapū and iwi will be realised. The rating has been gained by undertaking an evaluation based on an agreed set of questions and the evaluation being conducted by an external group. The rating is an indication of the point in which the relationship is in (still forming) and the change in leadership at the Deputy Chief Executive level.
• **Community**	n/a	Baseline established	19% prompted awareness (total population)	The result was from national, quantitative market research conducted in November 2022 and represented a significant increase from the benchmark result (7% prompted awareness), from the survey conducted in August 2022. The increase can be attributed to the national launch campaign which commenced in September 2022. While the increase was positive, significant work will need to be undertaken to build awareness and familiarity with Te Pūkenga.

Council Priority Five: Transition educational services in a smooth and efficient manner.				
	2021	**2022**		**Commentary**
	Actual	**Target**	**Actual**	
Operating Model	n/a	Finalised and imple-mentation underway	Achieved	Our Operating Model, developed in 2021, comprises a number of components that are being implemented over different time horizons. In 2022 implementation focused on organisation structural design in which phase 1 (of three) was completed by establishing a new leadership team and associated business units in early October 2022. Most appointments were made by mid-December 2022, with the rest of implementation underway in 2023.
TITO transitions	n/a	Completed, with no negative impacts to employers or learners	Achieved	Competenz — 2 August 2021 Connexis — 1 September 2021 BCITO — 4 October 2021 MITO — 1 January 2022 ServiceIQ — 1 July 2022 Careerforce — 1 September 2022 HITO — 19 September 2022 Primary ITO — 1 October 2022 EarnLearn (formerly part of The Skills Organisation) — 1 October 2022 The TITO transitions into Te Pūkenga were a 'lift and shift' ahead of any confirmed organisational structure changes. This was intentional to minimise disruptions for employers and ākonga. There were no reported negative impacts for learners or employers as a result of transition. Refer to pages 6 and 29 for further information on the transition process.
There are transfer plans/processes in place for subsidiaries in 2022		Transition plans in place to allow all subsidiaries to be dissolved on or before 1 Jan 2023	Achieved	All ITP subsidiaries were successfully dissolved by 1 November 2022, ahead of the deadline and became Business Divisions of Te Pūkenga. Te Pūkenga Work Based Learning Limited was originally earmarked to be dissolved mid 2023 but was accelerated due to the success of the ITP transitions and was dissolved effective 1 January 2023. Technical qualifications were transferred by operation of law (legislation). Each business division continues to operate and report against their former subsidiary EDUMIS number.
Staff engagement score	53%	60%	50%	Target and result based on Te Pūkenga central office and ITP subsidiaries only. By group, the overall result was 50% for Te Pūkenga central office and ITPs (surveyed in November). Although behind our targeted 60% result, we received rich feedback from kaimahi on how we can improve to support what they need through transition. We look forward to acting in response to this feedback in 2023, and alongside our organisation design and change programme, we hope to help kaimahi see where their role fits within the future of Te Pūkenga.

Individual performance measure disclosure statements

This table provides disclosure of judgements required by the PBE FRS 48 standard relating to changes to our organisational performance measures reported in 2021.

Measure	New/ discontinued/ updated	Rationale
Progress against Te Pae Tawhiti Action Plans	New	In 2021, to measure our performance around producing equitable outcomes for ākonga Māori, we used the measure of *Disparity in educational performance indicators for Student Achievement Component-funded domestic Māori equivalent full-time learners* with a target of *improving trend*. With the development of Te Tiriti capability within the organisation from 2021, this measure provides additional information on how we are delivering on expectations around Te Tiriti. Subsidiary Te Pae Tawhiti action plans were included in the 2022 Investment Plan.
Participation - proportion of learners in priority groups • Māori • Pacific • Disabled	New	With the development of Te Tiriti capability and implementation of equity initiatives, strategies, and findings from Te Rito research, we increased the scope of our equity measures to include participation rates of learners within priority groups that are enrolled in a reporting year. This provides better information on the level of engagement with Te Pūkenga by priority groups and aligns with 2022 EPI participation measures. Participation of priority learner groups reflects Ministerial expectations and Charter obligations.
Course completion (SAC funded)	Updated	In 2021 we used Percentage of Student Achievement Component funded domestic equivalent full-time learners completing courses at levels 1-10. In 2022 we reworded this measure and simplified it.
Equity in course completion for Māori learners	Updated	In 2021 we used *Disparity in educational performance indicators for Student Achievement Component-funded domestic Māori equivalent full-time learners* with a target of *improving trend*. In 2022 we expanded upon this measure by having a distinct measure for Māori course completion and amended the wording of this measure by replacing 'disparity' with 'equity' which aligned with the language we began to adopt over this period.
Equity in course completion for Pacific learners	Updated	In 2021 we used the measure of *Disparity in educational performance indicators for Student Achievement Component-funded domestic Pacific equivalent full-time learners with* a target of *improving trend.* In 2022 we expanded upon this measure by including a distinct measure for Pacific course completion and amended the wording of this measure by replacing 'disparity' with 'equity' which aligned with the language we began to adopt over this period.
Equity in credit achievement for Māori learners	New	In 2021, to measure our performance around producing equitable outcomes for ākonga Māori, we used the measure of *Disparity in educational performance indicators for Student Achievement Component-funded domestic Māori equivalent full-time learners with a target of improving trend.* In 2022 we included the corresponding measure of 'credit achievement' for work-based learners enrolled in a business division (formerly ITO) of WBL.
Equity in credit achievement for Pacific learners	New	In 2021 we used the measure *Disparity in educational performance indicators for Student Achievement Component-funded domestic Pacific equivalent full-time learners* with a target of *improving trend.* In 2022 we included the corresponding measure of 'credit achievement' for work-based learners enrolled in a business division (formerly ITO) of WBL.

Measure	New/ discontinued/ updated	Rationale
Graduate Destinations	Updated	Our 2022 Statement of Performance Expectations temporarily discontinued this measure while we developed a new methodology to allow consolidated analysis across our entire network. We therefore did not set a target for 2022. The measure has nevertheless been included in our 2022 Annual Report since AuditNZ considers it as a necessary inclusion. These results were obtained using graduate outcomes data accessed through the TEC's Ngā Kete application, but in the future the data for these measures and metrics will be provided by our internal Institutional Effectiveness function. The current result clusters graduates from 2017-2020 as a cohort to provide a large enough sample. Destinations are reported one year after graduation. This methodology also separates in-work and provider-based graduate cohorts. This is an important distinction given the unique properties of those cohorts. The 2021 Annual Report provided graduate outcomes (employment rate), based on the collation of graduate surveys undertaken by the ITP subsidiaries only. This qualitative approach has been deprioritised in favour of quantitative analysis through the NZ Government Integrated Data Infrastructure (IDI). For this reason, we cannot compare 2021 results.
Learner (ākonga) satisfaction	New	In 2022 we had developed centralised capability to assess how our ākonga feel about their current learning experience which would allow us to assess our services and learning environments going forward. The main mechanism for assessing this is via a network-wide survey. The survey included learners from all ITP subsidiaries (n=16) and those TITOs that had transitioned to Te Pūkenga at the time of survey (n=5). Learners from Careerforce, EarnLearn, HITO and Primary ITO are therefore not represented in the 2022 result. The survey was sent to all currently enrolled learners, excluding short courses, training schemes, trades academy, off-shore programmes, and any other normal exclusions applied by individual subsidiaries.
Cohort-based qualification completion (SAC funded)	New	In 2022 we added additional measures to our SPE from the TEC Educational Performance Indicators.
Credit achievement (Industry trainees/apprentices)	New	In 2022 we added additional measures to our SPE from the TEC Educational Performance Indicators. This included specific measures relating to work-based learning delivered by former TITOs under WBL.
Cohort-based programme completion (Industry trainees/ apprentices)	New	In 2022 we added additional measures to our SPE from the TEC Educational Performance Indicators. This included specific measures relating to work-based learning delivered by former TITOs under WBL.
Total Learners **(Results reported under Performance against mix of provision targets (volume of delivery) measure)**	Updated	In 2021 we used the measure Number of Student Achievement Component-funded domestic equivalent full-time learners at levels 1-10 with a target of 50,850 students. In 2022 we reworded this measure to Total Learners as we had begun the transition process with our ITP subsidiaries and TITOs, taking a more holistic approach to the number of learners across the different funding categories and subsidiaries.
Proportion of qualifications engaged in unification process	New	In 2022, we began an accelerated programme of unification across our growing network. This measure provides data on the progress of programmes entering unification which has an intended outcome of increasing accessibility, quality, and consistency of academic delivery.

Measure	New/ discontinued/ updated	Rationale
Number of research degree completions	Discontinued	This measure was discontinued in our 2022 SPE performance measures because there is no organisation-wide research strategy against which to measure progress. Measures relating to research degrees have been included in the 2023 SPE and these will provide a basis to assess organisation wide progress and improvement against.
Number of employers entering training agreements	New	This measure was added in 2022 to take account of our arranging training function through WBL. The 2022 target of 15,800 was updated as indicated in our 2022 SPE at footnote 8 "As at 1 Dec 2021 based on the 3 TITOs currently transitioned to WBL – target to be updated as additional TITOs transition."
Partner and Stakeholder satisfaction	New	Partner satisfaction measures were included in 2022 to begin to measure our success as part of our transition and establishment activities. These also serve to report on external and internal satisfaction measures from the SOI. The employer satisfaction result does not cover all Te Pūkenga business divisions, as data was not available. It does include our high volume employer NPS data from divisions who were able to share this information (Wintec, BCITO, MITO, Connexis, Competenz, ServiceIQ).
Operating Model	New	To reflect the 2022 programme of work, this measure was introduced for 2022 to indicate the progress of achieving a unified network of provision and delivery of service as per its Charter in line with the Minister's expectations. The Operating Model work was a key deliverable in 2022 but was updated to Organisational Design following the June 2022 reset.
Staff engagement score	New	This was introduced in 2022 following the development and introduction in 2021 of a network wide staff survey to assess staff engagement.
TITO transitions	New	Given the 2022 programme of work toward Horizon 1, this measure was included in 2022 as the transition of all individual ITPs and TITOs was a key deliverable in 2022.
Te Pūkenga – New Zealand Institute of Skills and Technology submits reports that show it is meeting the targets and milestones in its funding agreement with the Crown	Discontinued	By the end of 2021, Te Pūkenga had established internal and external reporting processes and systems to provide Council, the Minister and TEC with relevant information. The content and form of those reports continued to undergo change as the organisation grew, improved its data capture and analysis capability information and data, and its performance reporting processes. As these processes are now well embedded there was no need to report this as a distinct measure in 2022.

Statement of Service Performance Policies, Critical Judgements and Assumptions

Reporting Entity

This Statement of Service Performance is prepared for Te Pūkenga Group for the year ended 31 December 2022. This statement was authorised by Te Pūkenga Council on 17 July 2023.

The relevant legislation governing the requirement of the reporting of Te Pūkenga service performance is the Education and Training Act 2020 (s.306) and the Crown Entities Act 2004 (ss. 150 - 156).

Te Pūkenga is a Tertiary Education Institution. Its purpose is to support the reform of educational and vocational training programme (RoVE) by performing its functions and giving effect to its Charter for the benefit of the community. Te Pūkenga is designated as a public benefit entity (PBE) for financial reporting purposes.

Basis of Preparation

Statement of compliance

The Statement of Service Performance (SSP) of Te Pūkenga has been prepared in accordance with the requirements of the Education and Training Act 2020 and the Crown Entities Act 2004, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The Statement of Service Performance has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period, and complies with PBE financial reporting standards.

Critical reporting judgements, estimates and assumptions

Detailed disclosures as they relate to individual performance measures can be found in the *Individual performance measure disclosure statements* on pages 46-48.

Output class selection

Due to the complexities of our transition over the period of 2020-2022, and to ensure comparability and consistency of reporting with these periods, Te Pūkenga has chosen to continue to group its activities under one output class: Teaching and Learning, which broadly describes the services we provide as a tertiary education institution. In 2023, with our transition phase largely complete, our output class/es will be reassessed. The reported revenue and expenditure under this output class reconciles to the consolidated group result reported for 31 December 2022.

Performance measure selection

The performance measures cover quantitative and qualitative measurement of progress towards the key goals and objectives of the Statement of Intent 2021 -2024, coupled with those metrics and targets (EPICs) covering the 2022 period issued by the Tertiary Education Commission (TEC) as part of the investment planning process. These cover both the provision of education and training services across the group and establishment activities undertaken by the parent. In addition to these 18 measures, other performance information is drawn from the 2022 Investment Plan commitments where it provides a more complete picture of performance.

Performance measures attributed to each Council Educational Priority were identified in a process during 2021 involving Council, executive leadership and subject matter experts. This ensured the selected measures best reflect Te Pūkenga strategic objectives, capability and capacity, and maturity of the organisation, where accurate and complete data could be provided in a timely manner. This process included assessing the 2021 performance measures against the progress Te Pūkenga had made regarding its establishment in 2020 and assessing our increased capability to collect, integrate and analyse group data. As we have grown, our capability and capacity has increased, and our performance monitoring has matured. This has resulted in refinement of our performance measures since 2021.

While our 2022 performance measures cover similar areas to that of our 2021 Statement of Performance Expectations and build on from these, comparability and consistency between the two is not possible for some measures as they have been refined, discontinued, or added as new. Until such time as Te Pūkenga develops and confirms its Outcomes Framework and formal organisational strategy (estimated in 2023), performance measures will continue to reflect the evolution and maturity of Te Pūkenga up to that point. While comparability and consistency will be a key consideration in the identification and development of future measures, this may not be possible for all measures.

One area of activity that was not measured in 2022 was research. Work began in 2022 to develop a research strategy, which included the development of measures and methodologies to meaningfully assess performance in this area of activity. Measures for research activities have been included in the 2023 SPE.

Similarly, graduate destinations measures were not included in our 2022 SPE while we developed a new methodology for group reporting. We have nevertheless included graduate destinations data using an interim approach based on TEC data accessed via the Ngā Kete application. As per our 2023 SPE, this approach will be replaced with our new, internal methodology in future reports.

The three partner and stakeholder satisfaction measures and staff engagement measure also serve to report against external and internal satisfaction measures from our SOI. In each case the overall result reflects responses to a combination of questions, that include direct or indirect reference to 'Te Pūkenga operating as a single entity.

Measurement
Actuals provided are based on data currently available. In the case of EPIs and learner numbers final actuals are confirmed following the April SDR and after the statutory deadline for the preparation and audit of the Statement of Service Performance. Although in this case audit has extended beyond that deadline, we have persisted with the convention of providing the provisional results from pre-April SDR to maintain consistency and comparability with previous and future Annual Reports.

For measures that were reported in 2021, for consistency the 2021 comparator data reflects the previously published, provisional result. For measures not previously reported, the 2021 comparator data, where available, reflects the finalised 2021 result.

Since many of our performance measures reflect commitments set by the TEC, we have adopted TEC definitions where applicable. For measures not related to TEC performance commitments, definitions have been provided by internal subject matter experts.

Aggregation
First year retention rate (SAC funded) and Progression rates level 1-4 (SAC Funded) measures are currently measured at an individual business division level (former subsidiary level). The 2022 targets for these measures have been calculated from a weighted average of individual subsidiary targets so to provide an actual for the whole group.

Presentation of information
In presenting our service performance information for 2022, we have applied the PBE FS 48 standard. This has resulted in a different format to our 2021 service performance statement. Our performance measures are grouped into Te Pūkenga five Council Education Priorities. This grouping helped ensure alignment between performance commitments and the key areas of activity in 2022.

Our Service Performance Information is contained in reporting against Statement of Intent on pages 20-32 and Statement of Service Performance on pages 36-50.

The table below shows the final actual EPIs, confirmed post-April SDR for both 2021 and 2022

Measure	Group	2021	2022
Course completion (SAC)	**All learners**	79.7%	78.7%
	Māori	73.1%	72.6%
	Levels 4-7	71.8%	71.6%
	Levels 7-10	85.5%	84.3%
	Pacific	71.5%	*70.6%*
	Levels 4-7	66.9%	66.1%
	Levels 7-10	82.8%	80.7%
	Non-Māori and non-Pacific	82.6%	81.4%
	Levels 4-7	81.0%	79.7%
	Levels 7-10	89.9%	89.1%
Qualification completion (SAC)	**All learners**	50.8%	51.7%
Credit achievement (ITR)	**All learners**	68.2%	68.8%
Programme completion (ITR)	**All learners**	65.9%	65.3%
First year retention (SAC)	**All learners**	66.9%	64.1%
	Māori	61.5%	61.7%
	Pacific	61.6%	62.0%
	Non-Māori and non-Pacific	68.7%	64.8%
Progression rate (SAC)	**All learners**	36.3%	32.9%
	Māori	38.5%	35.3%
	Pacific	39.5%	39.0%
	Non-Māori and non-Pacific	35.1%	31.2%

Ngā whakatutukitanga ā-pūtea
Financial Performance

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Te Pūkenga – New Zealand Institute of Skills and Technology and Group's financial statements and performance information for the year ended 31 December 2022

The Auditor-General is the auditor of Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga) and the Group. The Auditor-General has appointed me, JR Smaill, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of Te Pūkenga and the Group on his behalf.

Opinion

We have audited:

- the financial statements of Te Pūkenga and the Group on pages 55 to 140, 143 and 144 that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of Te Pūkenga and the Group on pages 20 to 32 and 36 to 50 for the year ended 31 December 2022.

Qualified opinion on the financial statements

In our opinion, except for the possible effects of the matters described in the Basis for our opinion section of our report:

- the financial statements of Te Pūkenga and the Group on pages 55 to 140, 143 and 144:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2022; and
    - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Unmodified opinion on the performance information

In our opinion, the performance information on pages 20 to 32 and 36 to 50:

- presents fairly, in all material respects, Te Pūkenga and the Group's performance for the year ended 31December 2022, including:
  - for each class of reportable outputs:
    - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
    - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
    - the service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended
    - 31 December 2022; and
  - what has been achieved with the appropriation for the year ended 30 June 2022 and the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- complies with generally accepted accounting practice in New Zealand.

Our audit of the financial statements and the performance information was completed on 17 July 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

Our work on the financial statements of Te Pūkenga (the Parent) was limited due to inadequate evidence available for some of its cash flow information.

As outlined in the financial statements on page 61 Te Pūkenga could not correctly determine the breakdown of the Parent's cash flows from operating activities, nor the reconciliation of the net deficit to the net operating activity cash flow. The scope of our audit was limited as Te Pūkenga was unable to provide us sufficient supporting information to enable us to verify the breakdown of the Parent's operating cash flows for 2022, nor the reconciliation of the net deficit to the net operating activity cash flow. There were no satisfactory audit procedures that we could adopt to determine the effect of this limitation in scope.

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

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

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

Responsibilities of the Council for the financial statements and the performance information

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

The Council is also responsible on behalf of Te Pūkenga and the Group for preparing performance information and an appropriation statement that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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

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

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

Responsibilities of the auditor for the audit of the financial statements and the performance information

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

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

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to Te Pūkenga and the Group's statement of performance expectations, investment plan and the Estimates and Supplementary Estimates of Appropriations – Vote Tertiary Education.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise

professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Te Pūkenga and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate the appropriateness of the reported performance information within Te Pūkenga's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Te Pūkenga and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, performance information and the appropriation statement, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Te Pūkenga and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, the performance information and the appropriation statement, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the group to express an opinion on the consolidated financial statements and performance information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 3 to 19, 33 to 35, 51, 54, 141, 142 and 145 to 155 but does not include the financial statements, the performance information, and our auditor's report thereon.

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

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

Independence

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

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

JR Smaill
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Statement of Responsibility

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

In the Council's opinion:

- The Statement of Performance fairly reflects the performance of the Parent for 1 January 2022 to 31 December 2022
- The Statement of Performance fairly reflects the performance of the Group for 1 January 2022 to 31 December 2022
- The Financial Statements fairly reflect the financial position and operations of the Parent and the group for 1 January 2022 to 31 December 2022.

Signed by:

Murray Strong
Tumuaki Kaunihera | Chairman
17 July 2023

Peter Winder
Tumuaki | Chief Executive
17 July 2023

Michelle Teirney
Pourangi Pūtea | Chief Financial Officer
17 July 2023

Statement of Comprehensive Revenue and Expense

for the year ended 31 December 2022

		Group			Parent		
All in $000s	Note	Actual 2022	Budget 2022	Actual 2021	Actual 2022	Budget 2022	Actual 2021
Revenue							
Government funding	2	795,241	765,595	699,468	748,399	856,893	793,352
Tuition fees and departmental revenue	2	367,006	234,573	364,100	37,146	0	0
Other revenue	2	114,492	116,402	107,044	32,687	6,540	577
Total revenue		**1,276,739**	**1,116,570**	**1,170,612**	**818,232**	**863,433**	**793,929**
Expenditure							
Employee expenses	3	800,710	727,107	694,231	215,232	24,798	14,399
Depreciation expense	10	100,379	101,193	90,802	26,475	62	50
Amortisation expense	11	24,913	14,492	23,504	5,460	0	0
Finance costs	3	3,910	4,422	4,928	1,040	540	355
Administration and other expenses	3	426,401	338,130	348,886	768,013	856,022	780,355
Total expenditure		**1,356,313**	**1,185,344**	**1,162,351**	**1,016,220**	**881,422**	**795,159**
Share of associate / joint venture		(778)	0	(638)	28	0	0
Surplus/(deficit)		**(80,352)**	**(68,774)**	**7,623**	**(197,960)**	**(17,989)**	**(1,230)**
Other comprehensive revenue and expense							
Items that will not be reclassified to surplus/(deficit)							
Revaluation of land and buildings	21	(21,854)	0	322,657	(2,390)	0	0
Changes in value of equity investments classified as at fair value through other comprehensive revenue and expense		(1,939)	(999)	0	0	0	0
Total items that will not be reclassified to surplus/(deficit)		**(23,793)**	**(999)**	**322,657**	**(2,390)**	**0**	**0**
Total other comprehensive revenue and expense		**(23,793)**	**(999)**	**322,657**	**(2,390)**	**0**	**0**
Total comprehensive revenue and expense		**(104,145)**	**(69,773)**	**330,280**	**(200,350)**	**(17,989)**	**(1,230)**
Total comprehensive revenue and expense for the period attributable to:							
The Crown		(104,145)	(69,773)	330,280	(200,350)	(17,989)	(1,230)
Total		**(104,145)**	**(69,773)**	**330,280**	**(200,350)**	**(17,989)**	**(1,230)**

The budget for the Parent and the Group relates to the published Statement of Performance Expectations 2022
Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 31 December 2022

		Group			Parent		
All in $000s	Note	Actual 2022	Budget 2022	Actual (Restated) 2021	Actual 2022	Budget 2022	Actual 2021
Assets							
Current assets							
Cash and cash equivalents	4	337,639	31,719	207,371	272,339	21,375	65,086
Student fees and other receivables	5	136,632	115,142	153,706	104,049	5	14,775
Prepayments		15,850	21,731	35,958	10,119	6,299	6,937
Inventory	6	7,865	6,329	7,785	6,069	0	0
Assets held for sale	7	9,735	0	77,993	9,735	0	0
Related party loan receivables	27	0	0	0	0	0	60,400
Other financial assets	19	82,410	0	93,751	95,266	0	0
Total current assets		**590,131**	**174,921**	**576,564**	**497,577**	**27,679**	**147,198**
Non-current assets							
Property, plant and equipment	10	2,293,832	2,159,468	2,337,918	2,257,554	751	328
Intangible assets	11	61,676	82,384	73,038	52,327	0	0
Assets under construction - property, plant and equipment	10	69,428	0	62,564	69,067	0	0
Assets under construction - intangibles	11	9,184	0	7,003	5,446	0	0
Investment in associate, joint ventures and subsidiaries	12	943	611	1,130	3,074	0	0
Investment property	13	3,290	122,778	4,545	0	0	0
Term receivables	5	1,843	0	194	1,843	0	0
Derivative financial instruments	8	311	0	0	311	0	0
Other financial assets - non-current	19	31,594	0	9,353	3,561	0	0
Total non-current assets		**2,472,101**	**2,365,241**	**2,495,745**	**2,393,183**	**751**	**328**
Total assets		**3,062,232**	**2,540,162**	**3,072,309**	**2,890,760**	**28,430**	**147,526**
LIABILITIES							
Current liabilities							
Trade and other payables	14	132,587	66,737	93,112	132,393	2,000	34,113
Employee entitlements	15	63,868	51,893	55,140	54,436	0	324
Revenue received in advance	16	166,263	112,102	167,977	161,941	8,000	12,001
Borrowings	17	4,305	1,346	24,233	3,745	0	0
Finance leases	18	2,582	0	2,785	2,582	0	0
Related party term deposit payables	27	0	0	0	42,000	0	67,600
Provisions - current	9	8,514	14,239	3,150	4,940	0	0
Total current liabilities		**378,119**	**246,317**	**346,397**	**402,037**	**10,000**	**114,038**

All in $000s	Note	Group Actual 2022	Group Budget 2022	Group Actual (Restated) 2021	Parent Actual 2022	Parent Budget 2022	Parent Actual 2021
Non-current liabilities							
Employee entitlements	15	3,817	3,673	3,890	3,794	0	0
Revenue received in advance	16	15,655	0	0	0	0	0
Borrowings	17	39,924	50,322	35,324	31,888	0	0
Finance leases	18	37,153	40,568	38,713	37,153	0	0
Derivative financial instruments	8	0	0	23	0	0	0
Provisions - non-current	9	10,011	1,219	19,184	5,354	0	0
Total non-current liabilities		**106,560**	**95,782**	**97,134**	**78,189**	**0**	**0**
Total liabilities		**484,679**	**342,099**	**443,531**	**480,226**	**10,000**	**114,038**
Net assets		**2,577,553**	**2,198,063**	**2,628,778**	**2,410,534**	**18,430**	**33,488**
EQUITY							
General funds	21	1,283,175	1,102,500	1,275,994	1,176,503	8,430	33,488
Property revaluation reserve	21	1,153,494	912,604	1,232,491	1,142,923	0	0
Trust, endowments and bequests	21	3,864	36,926	3,849	2,231	0	0
Restricted reserves	21	137,020	146,033	116,444	88,877	10,000	0
Total equity attributable to Te Pūkenga		**2,577,553**	**2,198,063**	**2,628,778**	**2,410,534**	**18,430**	**33,488**
Total equity		**2,577,553**	**2,198,063**	**2,628,778**	**2,410,534**	**18,430**	**33,488**

The budget for the Parent and Group relates to the published Statement of Performance Expectations 2022.
Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2022

		Group			Parent		
All in $000s	**Note**	**Actual 2022**	**Budget 2022**	**Actual (Restated) 2021**	**Actual 2022**	**Budget 2022**	**Actual 2021**
Opening balance		2,628,778	2,267,836	2,276,131	33,488	36,419	34,718
Acquired on amalgamation		28,855	0	17,281	2,552,440	0	0
Other comprehensive revenue and expense							
Surplus/(deficit)	21	(80,352)	(68,774)	7,623	(197,960)	(17,989)	(1,230)
Other comprehensive revenue	21	(23,793)	(999)	322,657	(2,390)	0	0
Total comprehensive revenue and expense		**(104,145)**	**(69,773)**	**330,280**	**(200,350)**	**(17,989)**	**(1,230)**
Other transactions							
Capital contributions from the Crown		24,065	0	5,086	24,956	0	0
Total other transactions		**24,065**	**0**	**5,086**	**24,956**	**0**	**0**
Balance at 31 December		**2,577,553**	**2,198,063**	**2,628,778**	**2,410,534**	**18,430**	**33,488**

The budget for the Parent and Group relates to the published Statement of Performance Expectations 2022.
Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2022

		Group			Parent		
All in $000s		Actual 2022	Budget 2022	Actual 2021	Actual 2022	Budget 2022	Actual 2021
Cash flow from operating activities							
Receipts from Government grants		775,606	748,731	733,843	639,675	856,893	786,991
Receipts from student fees		384,690	296,206	321,139	223,827	0	0
Receipt of dividends		110	0	112	1,026	0	0
Receipt of interest		9,302	2,577	2,886	3,438	540	510
Receipt of other revenue		131,758	144,704	96,673	56,383	6,000	73
Goods and services tax (net)		5,094	(19,992)	(461)	10,621	(1,030)	1,613
Payments to employees		(795,986)	(754,718)	(694,667)	(753,278)	(879,490)	(14,366)
Payments to suppliers		(369,065)	(359,279)	(332,576)	(231,009)	0	(753,548)
Interest paid		(3,924)	(2,804)	(2,324)	(1,040)	(540)	(355)
Net cash flow from operating activities		**137,585**	**55,425**	**124,625**	**(50,357)**	**(17,627)**	**20,918**
Cash flow used in investing activities							
Proceeds from sale of property, plant and equipment		69,533	29,506	18,075	2,390	0	0
Proceeds from sale or maturity of investments		115,998	53,307	283,258	167,544	0	0
Cash received from subsidiaries for term deposit investments		0	0	0	40,000	0	131,200
Repayment of loans from subsidiaries		0	0	0	0	0	45,873
Cash paid to subsidiaries from matured term deposits		0	0	0	(1,000)	0	(63,971)
Loans to subsidiaries		0	0	0	0	0	(103,900)
Purchase of property, plant and equipment		(88,778)	(151,760)	(84,432)	(21,563)	(313)	(291)
Purchase of investments		(106,712)	(37,771)	(276,002)	(66,179)	0	0
Purchase of intangible assets		(12,269)	(23,325)	(14,917)	3,424	0	0
Net cash flow used in investing activities		**(22,228)**	**(130,043)**	**(74,018)**	**124,616**	**(313)**	**8,911**
Cash flows from financing activities							
Proceeds from borrowings		12,375	5,800	34,394	26,250	0	0
Proceeds from capital contributions from the Crown		25,000	1,000	7,050	25,000	0	0
Repayment of borrowings		(25,241)	(1,451)	(95,410)	(20,698)	0	0
Repayment of finance leases		(3,665)	0	(2,758)	0	0	0
Proceeds/Distributions to other financial activities		(17,688)	(9,327)	58,364	(1,703)	0	(34)
Net cash flows from financing activities		**(9,219)**	**(3,978)**	**1,640**	**28,849**	**0**	**(34)**
Net (decrease)/increase in cash and cash equivalents		**106,138**	**(78,596)**	**52,247**	**103,108**	**(17,940)**	**29,795**
Cash and cash equivalents at beginning of the period		207,371	(3,978)	1,641	65,086	0	(34)
Cash and cash equivalents from amalgamation		24,130	(78,596)	52,248	104,145	(17,940)	29,795
Cash and cash equivalents at end of the year	4	**337,639**	**31,719**	**207,371**	**272,339**	**21,375**	**65,086**

The budget for the Group relates to the published Statement of Performance Expectations 2022. Explanations of major variances against budget are provided in Note 22. The accompanying notes form part of these financial statements.

Reconciliation of movements in liabilities arising from financing activities

for the year ended 31 December 2022

	Group			
All in $000s	Total	Secured loans	Finance Leases	Interest Rate Swaps
Balance at 1 January 2022	101,076	59,555	41,449	22
Net Cashflows	(16,575)	(14,564)	(2,011)	0
Fair Value	289	0	0	289
New Leases	1,061	0	1,061	0
Other Changes	(1,577)	(763)	(814)	0
Balance at 31 December 2022	**84,274**	**44,228**	**39,685**	**311**

	Group			
All in $000s	Total	Secured loans	Finance Leases	Interest Rate Swaps
Balance at 1 January 2021	163,407	121,550	41,458	399
Net Cashflows	(62,406)	(59,115)	(3,291)	0
Fair Value	(377)	0	0	(377)
New Leases	1,959	0	1,959	0
Other Changes	(1,507)	(2,880)	1,373	0
Balance at 31 December 2021	**101,076**	**59,555**	**41,499**	**22**

	Parent			
All in $000s	Total	Secured loans	Finance Leases	Interest Rate Swaps
Balance at 1 January 2022	0	0	0	0
Acquired on amalgamation	**93,470**	**50,960**	**42,510**	**0**
Net Cashflows	(16,575)	(14,564)	(2,011)	0
Fair Value	289	0	0	289
New Leases	0	0	0	0
Other Changes	(1,577)	(763)	(814)	0
Balance at 31 December 2022	**75,607**	**35,633**	**39,685**	**289**

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

for the year ended 31 December 2022

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Surplus/(deficit)		(80,352)	7,623	(197,960)	(1,230)
Add/(less) non cash items:					
Depreciation and amortisation expense		125,292	114,306	31,935	50
Bad debt provision movement		(400)	(1,313)	(485)	0
Other losses/(gains)		2,289	1,570	0	0
Add/(less) items classified as investing or financing activities:					
Net loss/(gain) on disposal of property, plant and equipment		1,589	5,285	1,580	0
Impairment		9,875	3,045	6,902	0
Notional interest		0	(5,804)	0	0
Add/(less) movements in working capital:					
(Increase)/decrease in accounts receivable and other receivables		17,603	(21,797)	50,513	(12,858)
(Increase)/decrease in inventories		(2,883)	(1,309)	(82)	0
(Increase)/decrease in prepayments		20,622	(4,665)	10,488	(4,149)
(Increase)/decrease in other financial assets		1,606	1,325	0	0
Increase/(decrease) in employee entitlements		4,724	1,111	(25,775)	33
Increase/(decrease) in trade and other payables		34,335	23,868	6,940	32,569
Increase/(decrease) in provisions		(3,809)	(1,640)	9,998	0
Increase/(decrease) in fees in advance		7,094	3,028	55,589	6,503
Increase/(Decrease) in trust and endowments		0	(8)	0	0
Net cash from operating activities		**137,585**	**124,625**	**(50,357)**	**20,918**

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

The Parent Cashflow Statement shows the incoming and outgoing cash flows for the Parent business unit for the full year and the 16 former ITP subsidiaries post their disestablishment and amalgamation into Te Pūkenga. It also reconciles the opening and closing cash balances shown in the statement of financial position. We are satisfied that the incoming and outgoing cash flows for the investing and financing activities in the Parent Cashflow Statement are correct and able to be supported, as is the net operating activity cash flow position. However, the disestablishment and amalgamation of the former ITPs at differing times throughout the year has led to difficulty in correctly determining and being able to support the breakdown of the incoming and outgoing cash flows within the operating activity section of the Parent Cashflow Statement. It has also led to difficulty in correctly determining the reconciliation of the net deficit to the net operating activity cash flow. These difficulties have been compounded by a lack of readily available information to distinguish cash and non-cash transactions.

Note Index

Notes to the Financial Statements

for the year ended 31 December 2022

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

The financial statements are presented on a parent and consolidated group basis. The Group consists of Te Pūkenga and its wholly-owned subsidiaries (including those subsidiaries up until amalgmation date*):

- Ara Institute of Canterbury Limited and Group
- Eastern Institute of Technology Limited and Group
- Manukau Institute of Technology Limited
- Nelson Marlborough Institute of Technology Limited and Group
- Northland Polytechnic Limited and Group
- Open Polytechnic of New Zealand Limited and Group
- Otago Polytechnic Limited and Group
- Southern Institute of Technology Limited and Group
- Tai Poutini Polytechnic Limited and Group
- Toi Ohomai Institute of Technology Limited
- TANZ-E Campus Limited
- Unitec New Zealand Limited and Group
- Universal College of Learning Limited and Group
- Waikato Institute of Technology Limited and Group
- Wellington Institute of Technology Limited and Group
- Western Institute of Technology at Taranaki Limited and Group
- Whitireia Community Polytechnic Limited and Group
- Te Pūkenga - Work Based Learning Limited (WBL)

WBL was incorporated on 20th April 2021, registered under the Companies Act 1993 (registered number 8179185), and commenced operating on 1 August 2021. WBL comprises nine business divisions: Competenz, Connexis, BCITO, MITO, Service IQ, Careerforce, HITO, Primary and EarnLearn. The divisions formerly operated as Transitional Industry Training Organisations (TITOs) prior to their amalgamation with WBL. These consolidated financial statements include the operations of WBL for the period 1 January to 31 December 2022. The comparative year covers the operations of three business divisions (Competenz, Connexis and BCITO) from 1 August 2021 to 31 December 2021, being the period from when the Company commenced operations.

The Education (Vocational Education and Training and Reform) Amendment Act 2020 required the transfer of arranging training and support activities from TITOs to WBL during the 2022 financial year and to be completed by 31 December 2022. WBL disestablished on 31 December 2022 and amalgamated to Te Pūkenga on 1 January 2023. The following ITOs were amaglamated into WBL on the following dates:

ITOs Name	Amalgamation date
Competenz	2-Aug-21
Connexis	1-Sep-21
BCITO	4-Oct-21
MITO	1-Jan-22
Service IQ	1-Jul-22
Careerforce	1-Sep-22
HITO	19-Sep-22
Primary	1-Oct-22
EarnLearn	1-Oct-22

WBL was established primarily as a vehicle to transition the arranging training and support activities from TITOs into the Institute, and as such it has assumed responsibility for arranging training for trainees and apprentices who predominantly acquire knowledge and skills to meet formal vocational qualification standards in the workplace. WBL provides support to learners and employers, develops training plans, supplies training materials and pastoral care and liaises with third-party training providers. WBL does not operate to generate profit and is funded by Government grants awarded by the Tertiary Education Commission (TEC).
TANZ-E Campus Limited was officially removed from the Companies Office register on 1 December 2021. This removal was due to the successful completion of an amalgamation with Open Polytechnic Limited.

Throughout the year a number of subsidiaries have been disestablished and hence the financial statements of those subsidiaries have been completed on a disestablishment basis

*The following wholly-owned Institutes of Technology subsidiaries (ITPs) amalgamated into Te Pūkenga on the following dates:

ITPs Name	Disestablishment date	Amalgamation date
Toi Ohomai and Wintec	31-May-22	1-Jun-22
Whitireia and WelTec	31-Aug-22	1-Sep-22
NMIT, MIT, Unitec, TPP, NorthTec	30-Sep-22	1-Oct-22
Otago, SIT, Ara, Open, UCOL, WITT, EIT	31-Oct-22	1-Nov-22

On the amalgamation Te Pūkenga acquired subsidiaries / associates / joint ventures of former ITPs (refer to Note 12 for more information).
As a result of the step amalgamation process, the Parent figures within these financial statements include post amalgamation operation-based activities.
Te Pūkenga and the Group provides educational and research services for the benefit of the community. It does not operate to make a financial return.
Te Pūkenga has designated itself and the group as public benefit entities PBEs for the purposes of complying with generally accepted accounting practice.
The financial statements of Te Pūkenga and the Group are for the period ended 31 December 2022, and were authorised for issue by the Council on 17 July 2023.

Notes to the Financial Statements

for the year ended 31 December 2022

BASIS OF PREPARATION

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

Reporting period

The reporting period for the current year is for the 12-month period 1 January 2022 to 31 December 2022 with the comparative year also reflecting 12 months of activities.

Reporting measurement

The financial statements have been prepared on a historical basis except for the following items, which are measured on an alternative basis on each reporting date.

Item	Measurement
Land	Fair value
Buildings and Infrastructure	Fair value
Derivative financial instruments	Fair value
Investment Property	Fair value
Managed Investment Portfolio	Fair value

Statement of compliance

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

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

Presentation currency and rounding

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

Restatement of Comparatives

In accordance with PBE IPSAS 40.43, the amalgamation balances for the comparative year have been retrospectively revised viaa measurement period adjustment to the initial amalgamation accounting, as if the accounting for the amalgamation had beencompleted at the amalgamation date. This has resulted in adjustments to the comparative balances for amalgamation receivable,included within trade and other receivables, and restricted reserves.
Refer Note 29 for details

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outline below:

Budget figures

The budget figures for Te Pūkenga and the Group have been derived from the budget approved by Te Pūkenga Council at the end of 2021. Those budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements. The budget approved was for the full year 1 January 2022 to 31 December 2022.

Critical accounting estimates and assumptions

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

Impairment of non-financial assets

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

Course development costs

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

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Income tax

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

Subsidiaries

Te Pūkenga consolidates in the Group financial statements those entities it controls. Control exists where Te Pūkenga is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by Te Pūkenga. Investments in subsidiaries are measured at cost in the parent financial statements.

Remeasurement of comparatives

The comparative Statement of Financial position and applicable notes disclosures have been restated as a result of a remeasure. Refer Note 29 for details.

2. REVENUE

ACCOUNTING POLICY

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

Student Achievement Component funding

Student Achievement Component (SAC) funding is the main source of operational funding for Te Pūkenga from the Tertiary Education Commission (TEC). Te Pūkenga received this funding for the subsidiaries/Business Divisions from TEC and passed it onto the subsidiaries/Business Divisions. The Institute considers SAC funding to be non-exchange revenue and recognises SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course. Due to the different amalgamations of the business units into the parent throught the 2022 year, the obligation for clawback was between Te Pūkenga and the previous subsidiaries as at disestablishment date. Any under-delivery (i.e., being the difference between what the Group has been funded on, with what the Group should be funded based on confirmed enrolments), on a Group basis as at 31 December 2022, is required to be 'clawed back' to TEC in the year following; any funds subject to claw back are recognised as a liability.

Tuition fees

Domestic student tuition fees are subsidised by Government funding and are considered non-exchange. Te Pūkenga received this funding for the subsidiaries/Business Divisions from TEC and passed it onto the subsidiaries/Business Divisions. Revenue is recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course.

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

Fees-free revenue and Targeted Training & Apprenticeship Fund (TTAF)

Te Pūkenga considers that fees-free revenue is non- exchange revenue and recognises revenue when the course withdrawal date for an eligible student has passed. Te Pūkenga received this funding for the subsidiaries/Business Divisions from TEC and passed it onto the subsidiaries/Business Divisions and would present funding received as part of tuition fees. This is on the basis that receipts from the TEC are for payment on behalf of the student as specified in the relevant funding mechanism. Any under-delivery (i.e., being the difference between what the Group has been funded on, with what the Group should be funded based on confirmed enrolments), on a Group basis, is required to be 'clawed back' to TEC in the year following; any funds subject to claw back are recognised as a liability.

Apprenticeship/Training Fees

Apprenticeship/training fees are partially subsidised by government funding and are considered non-exchange. Revenue is recognised when the service associated with the fee is delivered over time, or in the case of products, when the products are supplied.

Industry Training Fund (ITF)

Te Pūkenga considers ITF funding to be non-exchange revenue and recognises ITF funding as revenue when the service associated with the funding is delivered over time. ITF funding is received monthly (one twelfths) in advance, based upon the annual funding allocation. To the extent that funding has been received but not recognised as revenue, a liability is held in the statement of financial position.

Performance-based research fund

Te Pūkenga considers funding received from Performance-Based Research Fund (PBRF) to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by Section 425 of the Education and Training Act 2020. Te Pūkenga recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the financial year. PBRF revenue is measured based on the funding entitlement adjusted for any expected adjustments as part of the final wash-up process. Indicative funding for future periods is not recognised until confirmed for that future period.

Research revenue

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

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

If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to complete research to the satisfaction of the funder to retain funding or return unspent funds. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as contract monitoring mechanisms of the funder and the past practice of the funder.

Other grants received

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

Sales of goods

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

Accommodation services

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

Interest and dividends

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

Notes to the Financial Statements

for the year ended 31 December 2022

2. REVENUE (CONTINUED)

		Group		Parent	
All in $000s		Actual 2022	Actual 2021	Actual 2022	Actual 2021
Government funding classified as non-exchange transactions					
Student disability grant		2,410	1,917	526	0
Literacy funding		3,198	2,813	930	0
Youth Guarantee funding		13,122	12,329	2,595	0
Other Government grants		84,560	149,946	39,381	252,691
Māori and Pacific Islands grant		9,014	4,128	3,183	0
Student Achievement Component (SAC) funding		510,097	491,007	694,532	540,661
Performance based research funding		8,752	9,114	2,208	0
Industry training fund		169,114	28,214	5,044	0
Total Government funding classified as non-exchange transactions		**800,267**	**699,468**	**748,399**	**793,352**
Tuition fees and departmental revenue classified as exchange transactions					
Tuition fees - international students		47,468	74,891	13,087	0
Departmental revenue (non base revenue and recoveries)		11,450	14,060	2,424	0
Other tuition fees classed as exchange transactions		3,559	5,100	822	0
Total tuition fees and departmental revenue classified as exchange transactions		**62,477**	**94,051**	**16,333**	**0**
Tuition fees and departmental revenue classified as non-exchange transactions					
Tuition fees - domestic students		120,862	177,886	11,481	0
Departmental revenue (non base revenue and recoveries)		0	968	0	0
Other tuition fees classed as non-exchange transactions		1,027	1,394	550	0
Fees free funding		33,525	27,305	2,221	0
Targeted training and apprenticeship funding (TTAF)		144,129	62,496	6,561	0
Total tuition fees and departmental revenue classified as non-exchange transactions		**299,543**	**270,049**	**20,813**	**0**
Total tuition fees and departmental revenue		**367,006**	**364,100**	**37,146**	**0**

All in $000s	Note	Group Actual 2022	Group Actual 2021	Parent Actual 2022	Parent Actual 2021
Other revenue classified as exchange transactions					
Other revenue		74,131	62,840	24,396	67
Gain on disposal of property, plant and equipment		549	1,611	(61)	0
Net gain on interest rate swaps - classified as at fair value through profit or loss		0	377	0	0
Net gain on investments in managed funds - classified as at fair value through surplus or deficit		(892)	22	0	0
Interest revenue		9,273	2,534	3,423	510
Dividend revenue		110	114	1,026	0
Research revenue		1,991	4,620	1,284	0
Secondment revenue		0	598	0	0
Rental revenue from investment property		891	42	(786)	0
Student service fees		7,546	6,757	3,184	0
Total other revenue classified as exchange transactions		**93,599**	**79,514**	**32,466**	**577**
Other revenue classified as non-exchange transactions					
Other revenue		13,117	21,502	237	0
Gain on disposal of property, plant and equipment		2	0	0	0
Net gain on interest rate swaps - classified as held for trading		333	0	0	0
Research revenue		2,784	494	0	0
Rental revenue from investment property		2,600	0	(18)	0
Student service fees		2,057	5,534	2	0
Total other revenue classified as non-exchange transactions		**20,893**	**27,530**	**221**	**0**
Total other revenue		**114,492**	**107,044**	**32,687**	**577**
Total revenue		**1,276,739**	**1,170,612**	**818,232**	**793,929**
Revenue classification					
Exchange revenue		156,075	173,565	48,799	577
Non-exchange revenue		1,120,665	997,047	769,433	793,352
Total revenue		**1,276,739**	**1,170,612**	**818,232**	**793,929**

Notes to the Financial Statements

for the year ended 31 December 2022

3. EXPENDITURE

ACCOUNTING POLICY

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

Salaries and wages
Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

Defined contribution schemes
Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expenses in the surplus or deficit when incurred.

Finance Costs
Borrowing Costs are expensed in the financial year in which they are incurred.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Employee expenses					
Wages and salaries		752,414	652,550	205,089	11,894
Defined contribution plan employer contributions		15,882	13,446	2,670	238
Councillors and Board fees	26	2,695	3,016	676	516
Increase/(decrease) in employee benefit liabilities		3,630	3,409	(4,661)	0
Other employee expenses		19,586	18,548	6,383	1,751
Restructuring expenses		6,503	3,262	5,075	0
Total employee benefits expense		**800,710**	**694,231**	**215,232**	**14,399**
Finance costs					
Finance costs		3,910	4,928	1,040	355
Total finance costs		**3,910**	**4,928**	**1,040**	**355**
Administration and other expenditure					
Auditors' remuneration					
Fees to Audit New Zealand for the audit of financial statements		4,101	2,750	1,229	294
Additional audit fees to Audit New Zealand for 2021 audit		0	0	86	30
Fees to Audit New Zealand for other services*		(46)	26	56	0
Fees to Ernst & Young for the audit of financial statements (Open Polytechnic, WelTec & Whitireia)		501	540	7	0
Fees to Deloitte for the audit of financial statements (OEDT, subsidiary of Ara)		0	0	0	0
Fees to BDO for the audit of financial statements (OPAIC, subsidiary of Otago Polytechnic)		4	4	0	0
Total auditors' remuneration		**4,560**	**3,320**	**1,378**	**324**

** Ara and Unitec made payment to Audit NZ totalling $26,000 during 2021 year for other audit services.*

All in $000s	Note	Group Actual 2022	Group Actual 2021	Parent Actual 2022	Parent Actual 2021
General costs					
Administrative, materials and consumables expenses		68,103	59,653	20,955	1,479
Funding Distribution to subsidiaries		0	0	670,364	769,633
Bad and doubtful debts - written off	5	402	1,310	(135)	0
Course delivery expenses		123,747	97,544	17,245	0
Discontinued operations		1,750	0	1,750	0
Donations and koha		411	301	56	7
Impairment of property plant and equipment	10	6,832	9	6,843	0
Impairment of intangibles	11	(4,988)	3,217	0	0
Inventory write-downs	6	2,848	2,990	478	0
Litigation settlements		0	0	(469)	0
Loss on disposal of property, plant and equipment		1,041	3,542	529	0
Loss on disposal of Trust operations		0	2,859	0	0
Loss on impairment of intangible assets		2,115	188	0	0
Marketing expenses		26,648	16,371	9,091	977
Minor assets		1,786	1,213	(84)	0
Net increase/(decrease) bad and doubtful debts provision	5	(2)	(849)	620	0
Occupancy expenses		40,458	40,681	6,877	96
Operating expenses related to investment property		(181)	19	(8)	0
Operating lease payments		25,894	20,417	6,078	0
Other expenditure		88,782	72,586	10,697	0
Professional services		24,784	15,823	13,437	7,839
Research and development expense		3,495	2,907	1,579	0
Scholarships		7,916	4,785	732	0
Total general costs		**421,841**	**345,566**	**766,635**	**780,031**
Total administration and other expenditure		**426,401**	**348,886**	**768,013**	**780,355**

Notes to the Financial Statements

for the year ended 31 December 2022

4. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Although cash and cash equivalents are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

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

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Cash at bank and on hand		226,205	173,612	167,933	55,071
Call deposits		27,008	22,327	21,503	0
Term deposits with maturities of 3 months or less at acquisition		84,426	11,432	82,903	10,015
Total cash and cash equivalents		**337,639**	**207,371**	**272,339**	**65,086**
Weighted average effective interest rate		1.2%	0.7%	1.8%	0.2%
Cash balances with use restrictions					
Ring fenced cash reserved - Ara Institute of Canterbury		29,672	29,672	29,672	0
Ring fenced cash reserved - Eastern Institute of Technology		14,673	14,673	14,673	0
Ring fenced cash reserved - Nelson Marlborough Institute of Technology		11,602	11,702	11,602	0
Ring fenced cash reserved - Open Polytechnic of New Zealand		3,168	3,168	3,168	0
Ring fenced cash reserved - Southern Institute of Technology		15,175	15,175	15,175	0
Ring fenced cash reserved - Toi Ohomai Institute of Technology		0	440	0	0
Cash balances with use restrictions at 31 December 2022		**74,290**	**74,830**	**74,290**	**0**

The cash balances with use of restrictions as at 31 December 2022 was $74.2m, this was due to Toi Ohomai's ring fenced reserved balance reduced to nil during the 2022 year and Nelson Marlborough Institute of Technology (NMIT) ring fenced reserved balance reduced by $100k which brings NMIT's closing balance to $11.6m. The ring fenced reserved balance in 2021 was $74.8m. The movement in 2021 was due to Northland Polytechnic's ring fenced reserved balance reduced by $4.7m which brings Northland Polytechnic's closing balance down to $nil.

All in $000s	Note	Group Actual 2022	Group Actual 2021	Parent Actual 2022	Parent Actual 2021
Cash balances with use restrictions					
Ring fenced cash reserved - Work Based Learning Limited BCITO		6,123	6,123	0	0
Ring fenced cash reserved - Work Based Learning Limited Connexis		795	1,128	0	0
Ring fenced cash reserved - Work Based Learning Limited Competenz		11,961	0	0	0
Ring fenced cash reserved - Work Based Learning Limited MITO		1,469	0	0	0
Ring fenced cash reserved - Work Based Learning Limited Service IQ		2,316	0	0	0
Ring fenced cash reserved - Work Based Learning Limited Careerforce		750	0	0	0
Ring fenced cash reserved - Work Based Learning Limited HITO		2,773	0	0	0
Ring fenced cash reserved - Work Based Learning Limited Primary ITO		5,951	0	0	0
Cash balances with use restrictions at 31 December 2022		**32,138**	**7,251**	**0**	**0**

Cash balances with use restrictions is ring-fenced funds and is to spent on specific areas of investment as set out in the Transfer Agreements with WBL. During 2022 year Connexis ring fenced funds reduced by $408,000 bringing Connexis closing balance to $795,000 and HITO's balance is reduced by $173,000 which brings HITO's closing balance to $2.7m. There was no movement in 2021.

Notes to the Financial Statements

for the year ended 31 December 2022

5. STUDENT FEES AND OTHER RECEIVABLES

ACCOUNTING POLICY

Short-term receivables are recognised initially at fair value (the amount due) and subsequently measured at amortised cost using the effective interest method, less provision for impairment. This provision is calculated based on lifetime ECL.

In measuring ECL, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Please refer to Note 19 for the impairment policy, which is under the heading 'Impairment of financial assets held at amortised cost'.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual (Restated) 2021	Actual 2022	Actual 2021
Student fee receivables					
Student fee receivables		70,169	57,835	67,022	0
Less: allowance for credit losses		(4,020)	(3,327)	(2,431)	0
Net student fee receivables		**66,149**	**54,508**	**64,591**	**0**
Other receivables					
Other receivables		28,461	41,458	13,926	70
Less: allowance for credit losses		(434)	(941)	(371)	0
Net other receivables		**28,027**	**40,517**	**13,555**	**70**
Related party receivables					
Related party receivables		24,872	32,530	15,202	14,705
Less: allowance for credit losses		(118)	0	(118)	0
Net related party receivables		**24,754**	**32,530**	**15,084**	**14,705**
PBE non-exchange revenue adjustment		11,541	10,385	11541	0
Government funding		8,004	15,960	1121	0
Total receivables		**138,475**	**153,900**	**105,892**	**14,775**
Classification					
Receivables classified as exchange transactions		16,428	36,635	19,975	70
Receivables classified as non-exchange transactions		122,047	117,265	85,917	14,705
Total receivables		**138,475**	**153,900**	**105,892**	**14,775**
Current Portion of Student Fees and Other Receivables		136,632	153,706	104,049	14,775
Non-Current Portion of Student Fees and Other Receivables		1,843	194	1,843	0
Total Net Receivables		**138,475**	**153,900**	**105,892**	**14,775**

2022	Group					Parent				
All in $000s	Not past due	Past due 1 - 30 days	Past due 30 - 60 days	Past due 61 - 90 days	Past due over - 90 days	Not past due	Past due 1 - 30 days	Past due 30 - 60 days	Past due 61 - 90 days	Past due over 90 days
Student fee receivables										
Expected credit loss (%)	1.51%	2.01%	8.27%	25.67%	52.67%	0.16%	1.82%	6.77%	19.31%	41.04%
Gross carrying amount ('000)	53,525	9,635	877	1,054	5,080	51,333	9,300	694	939	4,756
Total student fee receivables lifetime expected credit loss ($'000)	**808**	**194**	**73**	**270**	**2,676**	**84**	**169**	**47**	**181**	**1,952**
Other receivables										
Expected credit loss (%)	0.00%	0.00%	0.20%	5.29%	20.54%	0.00%	0.00%	0.24%	0.69%	21.42%
Gross carrying amount ('000)	16,492	7,581	1,961	452	1,975	8,193	1,797	1,587	658	1,691
Total other receivables lifetime expected credit loss ($'000)	**0**	**(0)**	**4**	**24**	**406**	**0**	**0**	**4**	**5**	**362**
Related party receivables										
Expected credit loss (%)	0.47%	0.00%	0.00%	0.00%	0.00%	0.78%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount ('000)	24,872	0	0	0	0	15202	0	0	0	0
Total related party receivables lifetime expected credit loss ($'000)	**118**	**0**	**0**	**0**	**0**	**118**	**0**	**0**	**0**	**0**
Total lifetime expected credit loss	**926**	**193**	**76**	**294**	**3,081**	**202**	**169**	**51**	**186**	**2,314**

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for the year ended 31 December 2022

5. STUDENT FEES AND OTHER RECEIVABLES (CONTINUED)

2021 (Restated)	Group					Parent				
All in $000s	Not past due	Past due 1 - 30 days	Past due 30 - 60 days	Past due 61 - 90 days	Past due over - 90 days	Not past due	Past due 1 - 30 days	Past due 30 - 60 days	Past due 61 - 90 days	Past due over 90 days
Student fee receivables										
Expected credit loss (%)	0.20%	9.96%	8.91%	33.22%	47.92%	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount ('000)	49,766	813	559	761	5,934	0	0	0	0	0
Total student fee receivables lifetime expected credit loss ($'000)	**101**	**81**	**50**	**253**	**2,843**	**0**	**0**	**0**	**0**	**0**
Other receivables										
Expected credit loss (%)	0.47%	2.36%	6.95%	19.35%	41.70%	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount ('000)	34,501	2,688	2,883	284	1,101	70	0	0	0	0
Total other receivables lifetime expected credit loss ($'000)	**163**	**63**	**200**	**55**	**459**	**0**	**0**	**0**	**0**	**0**
Related party receivables										
Expected credit loss (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount ('000)	31,323	314	0	1	892	0	0	0	0	0
Total related party receivables lifetime expected credit loss ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total lifetime expected credit loss	**264**	**144**	**250**	**308**	**3,302**	**0**	**0**	**0**	**0**	**0**

All in $000s	Note	Group Actual 2022	Group Actual 2021	Parent Actual 2022	Parent Actual 2021
Movements in the provision for impairment of receivables					
Balance brought forward		(4,268)	(5,806)	0	0
Acquired on amalgamation		0	0	(2,681)	0
Additional provisions made during the year		(1,601)	(1)	(999)	0
Provisions adjustments during the year		386	381	(121)	0
Receivables written-off during the year		912	1,158	881	0
At 31 December		**(4,572)**	**(4,268)**	**(2,920)**	**0**

6. INVENTORY

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

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

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

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

All in $000s	Note	Group Actual 2022	Group Actual 2021	Parent Actual 2022	Parent Actual 2021
Building stock		3,629	2,259	3,629	0
Other inventory		4,236	5,526	2,440	0
Total inventory carrying value		**7,865**	**7,785**	**6,069**	**0**
Inventories recognised as an expense		2,840	3,047	1,836	0
Inventories write-down recognised as an expense		8	(57)	(1,358)	0
Less reversal of inventories write-down recognised as an expense		0	0	0	0
Total inventory expense		**2,848**	**2,990**	**478**	**0**

Notes to the Financial Statements

for the year ended 31 December 2022

7. ASSETS HELD FOR SALE

Current assets held for sale

A Current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset is measured at the lower of its carrying amount and fair value less costs to sell. Write-downs of the asset are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised in the surplus or deficit up to the level of any impairment losses that have previously been recognised. A current asset is not depreciated or amortised while classified as held for sale.

There were no changes in fair value to the current assets held for sale upon transfer to Assets Held for Sale.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Property held for sale		9,735	77,993	9,735	0
Total assets held for sale		**9,735**	**77,993**	**9,735**	**0**
consists of:					
Land		8,065	65,703	8,065	0
Land improvements		0	75	0	0
Buildings		1,670	12,215	1,670	0
Total assets held for sale		**9,735**	**77,993**	**9,735**	**0**

On 12 October 2022 Southern Institute of Technology (SIT) entered into an unconditional agreement to sell the Downtown Campus situated at 25 Don Street, Invercargill to Pascoe Properties Limited for the purchase price of $3,150,000. Settlement is expected to occur 30 March 2023. The net book value as at 31 December 2022 for Downtown Campus was $2,981,957. SIT is expected to generate a small profit on sale after taking into account the commission, legal fees and cost of selling.

8. DERIVATIVE FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, Te Pūkenga does not hold or issue derivative financial instruments for trading purposes. Te Pūkenga and the Group have elected not to apply hedge accounting. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit.

A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the full fair value of forward foreign exchange derivatives is classified as non-current. The portion of the fair value of an interest rate derivative that is expected to be realised or settled within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Current asset portion					
Forward foreign exchange contracts		0	0	0	0
Interest rate swaps		0	0	0	0
Total current asset portion		**0**	**0**	**0**	**0**
Current liability portion					
Forward foreign exchange contracts		0	0	0	0
Interest rate swaps		0	0	0	0
Total current liability portion		**0**	**0**	**0**	**0**
Non-current asset portion					
Forward foreign exchange contracts		0	0	0	0
Interest rate swaps		311	0	311	0
Total non-current asset portion		**311**	**0**	**311**	**0**
Non-current liability portion					
Forward foreign exchange contracts		0	0	0	0
Interest rate swaps		0	23	0	0
Total non-current liability portion		**0**	**23**	**0**	**0**
Total derivative instruments		**311**	**23**	**311**	**0**

The notional principal amounts of outstanding interest rate swap contracts totalled $10,000,000 in 2022 and $7,000,000 in 2021. The fixed interest rates of interest rate swaps varied from 1.8% to 3.22% in 2022 and 1.81% to 3.11% in 2021.

Notes to the Financial Statements

for the year ended 31 December 2022

9. PROVISIONS

ACCOUNTING POLICY

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using market yields on Government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Restructuring

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

Lease Make Good

A lease make good provision are in respect of leased premises where the Group is required at the expiry of the lease term to make good any damage and remove any fixtures and fittings installed by the Group.

Onerous lease

A lease is onerous if the expected benefits from using the leased asset are less than the unavoidable costs.

Other provisions

The Group's Other provisions contains straight line lease costs provisions and fit out provisions relating to leased properties.

Other provisions include $1.7m exist of LCB agreement for Weltec, straight line lease cost of $2.8m for 82-92 Cuba Street and 65 Dixon Street Wellington over the period of the lease to 31 October 2038, and also $1.9m lease incentive provided for 82-92 Cuba Street and 65 Dixon Street Wellington for a lease free period prior to moving in to allow for contruction. This has been taken up as a lease incentive by Whitireia and the value has been spend over the period of the whole lease.

2022	Group						Parent					
All in $000s	Opening Balance 1 Jan 2022	Acquired on Amalgamation	Increase to provision	Charged against provision	Unused amounts reversed	Closing Balance 31 Dec 2022	Opening Balance 1 Jan 2022	Acquired on amalgamation	Increase to provision	Charged against provision	Unused amounts reversed	Closing Balance 31 Dec 2022
Provision												
Onerous lease provision	7,339	0	1,750	(2,452)	(457)	6,180	0	2,018	1,750	(1,341)	0	2,427
Lease make good provision	346	0	299	0	0	645	0	929	0	(217)	0	712
Other provisions	14,649	159	4,076	(664)	(6,520)	11,700	0	10,490	3,777	(593)	(6,520)	7,154
Total Provisions	**22,334**	**159**	**6,125**	**(3,116)**	**(6,977)**	**18,525**	**0**	**13,437**	**5,527**	**(2,151)**	**(6,520)**	**10,294**

2021	Group					Parent				
All in $000s	Opening Balance 1 Jan 2021	Increase to provision	Charged against provision	Unused amounts reversed	Closing Balance 31 Dec 2021	Opening Balance 1 Jan 2021	Increase to provision	Charged against provision	Unused amounts reversed	Closing Balance 31 Dec 2021
Provision										
Onerous lease provision	13,417	504	(2,749)	(3,833)	7,339	0	0	0	0	0
Lease make good provision	766	0	0	(420)	346	0	0	0	0	0
Other provisions	12,339	3,367	(1,057)	0	14,649	0	0	0	0	0
Total Provisions	**26,522**	**3,871**	**(3,806)**	**(4,253)**	**22,334**	**0**	**0**	**0**	**0**	**0**

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Current portion					
Onerous lease provision		2,586	2,463	2,033	0
Lease make good provision		733	0	91	0
Other provisions		5,195	687	2,816	0
Total current portion		**8,514**	**3,150**	**4,940**	**0**
Non current portion					
Onerous lease provision		1,837	4,877	3,099	0
Lease make good provision		3,374	346	414	0
Other provisions		4,800	13,961	1,841	0
Total non-current portion		**10,011**	**19,184**	**5,354**	**0**
Total provisions		**18,525**	**22,334**	**10,294**	**0**

Settlement payment from Fuji Xerox for existing MFD Contrct in Canon in 2014. The Lease term end date is 30/9/2024 for WelTec and Whitireia. Also, WelTec's Contribution to 82-92 Cuba Street and 65 Dixon Street Wellington (Te Auaha) Fit-out.

Notes to the Financial Statements

for the year ended 31 December 2022

10. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant, and equipment consists of nine asset classes: land, buildings, infrastructure, leasehold improvements, computer hardware, furniture and equipment, motor vehicles, library collection, and heritage collections. Land is measured at fair value, and buildings and infrastructure are measured at fair value less accumulated depreciation. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings, and infrastructure are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Te Pūkenga and the Group and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost.

Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition. Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Te Pūkenga and the Group and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred. Additions over $2,000 in value are capitalised. Amounts under this are expensed.

Disposals

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

Depreciation

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

- Buildings (including components): 25 to 100 years, 1% to 4%
- Infrastructure: 10 to 50 years, 2% to 10%
- Leasehold improvements: 3 to 10 years, 10% to 33.3%
- Computer hardware: 5 years, 20%
- Furniture and equipment: 2 to 13 years, 7.7% to 50%
- Motor vehicles: 4 years, 25%
- Library collection: 10 years, 10%
- Land has an indefinte useful life

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

Impairment of property, plant and equipment

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

Value in use for non-cash-generating assets

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

Value in use for cash-generating assets

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

Restrictions on title

Under the Education and Training Act 2020, the subsidiary is required to notify Te Pūkenga who then obtain consent from the Secretary for Education to dispose of land and buildings. For plant and equipment, there is an asset disposal limit formula, which provides a limit up to which a TEI may dispose of plant and equipment without seeking consent from the Secretary for Education. Detailed information on the asset disposal rules can be found on the Tertiary Education Commission website. There are also various restrictions in the form of historic designations, reserve and endowment encumbrances attached to land. Te Pūkenga does not consider it practical to disclose in detail the value of land subject to these restrictions.

Assets Under Construction
As at 31 December the Group was engaged in various construction and development projects that were not yet completed. These assets are classified as assets under construction. Once completed these assets will be transferred from assets under construction to the relevant property, plant and equipment asset category.

Assets Acquired on Amalgamation
Property, plant and equipment acquired on amalgamation during the period are measured at fair value, being either valuation or cost less accumulated depreciation at the point of amalgamation. Depreciation is charged on a straight-line basis for the remaining life of the asset.

Heritage Assets
Te Pūkenga holds some assets holds some assets because of their cultural, environmental, or historical significance are heritage assets. These assets have not been recognised in the financial statements and are largely made up of carvings, artwork and other items significant to Māoridom.

Heritage collections are not depreciated because they are maintained such that they have indefinite or sufficiently long useful lives that any depreciation is considered to be negligible.

No items of Property, Plant and Equipment are pledged as security for liabilities at 31 December 2022.

	Group									
All in $000s	Land	Infrastructure	Buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Property, plant and equipment										
Cost or Fair Value - 31 December 2021	543,959	91,940	1,554,180	60,794	219,890	151,472	22,981	3,522	46,999	2,695,737
Accumulated Depreciation - 31 December 2021	0	(102)	(19,219)	(17,097)	(151,921)	(113,356)	(17,484)	(65)	(38,575)	(357,819)
Net Carrying Value - 1 January 2022	**543,959**	**91,838**	**1,534,961**	**43,697**	**67,969**	**38,116**	**5,497**	**3,457**	**8,424**	**2,337,918**
Additions	0	1,249	46,139	167	14,854	16,580	2,478	64	1,198	82,729
Acquired on Amalgamation	0	0	0	2,132	508	1,383	949	0	0	4,971
Reclassifications	12,585	(223)	0	415	(397)	3	(25)	0	0	12,358
Net Revaluation	(3,349)	87	4,944	0	0	0	0	0	0	1,682
Disposals	(1,670)	(4)	(25,992)	(6,168)	(23,706)	(36,162)	(1,957)	274	(4,583)	(99,967)
Depreciation on Disposals	0	0	15,284	3,095	22,583	35,383	1,673	0	4,567	82,584
Reverse Accumulated Depreciation – Reclassification	0	1	0	(64)	44	(1)	22	0	0	3
Reverse Accumulated Depreciation – Revaluation Write Back	0	75	7,505	0	0	0	0	0	0	7,580
Reverse Accumulated Impairment Loss - Reclassification	0	(15)	(31)	0	0	0	0	0	0	(46)
Reverse Accumulated Impairment Loss - Disposal	0	0	0	0	0	0	0	0	0	0
Impairment Losses Expensed in P&L	0	(90)	0	(6,452)	(297)	7	0	0	0	(6,832)
Impairment Loss (on Revalued Asset) Expense to Revaluation Reserve	0	0	(28,726)	0	0	0	(43)	0	0	(28,769)
Depreciation	0	(3,674)	(56,359)	(3,760)	(15,501)	(16,842)	(2,029)	(3)	(2,211)	(100,379)
Cost or Fair Value	551,525	93,049	1,579,271	57,340	211,149	133,276	24,426	3,860	43,614	2,697,510
Accumulated Depreciation	0	(3,805)	(81,546)	(24,278)	(145,092)	(94,809)	(17,861)	(68)	(36,219)	(403,678)
Net Carrying Value - 31 December 2022	**551,525**	**89,244**	**1,497,725**	**33,062**	**66,057**	**38,467**	**6,565**	**3,792**	**7,395**	**2,293,832**

Ara has recognised an impairment of $28.7m for building located at our Christchurch, Woolston and Southern Campuses. Due to the reduced optimisation of some of the buildings, as well as the current seismic ratings. The bais of value adopted is value in use.

Notes to the Financial Statements

for the year ended 31 December 2022

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group									
All in $000s	Land	Infrastructure	Buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Assets under construction										
Opening Value - 1 January 2022	0	629	55,995	147	3,692	1,775	236	0	90	62,564
Additions	0	1,201	44,802	27	9,596	7,720	426	50	400	64,222
Expensed	0	0	(1,068)	0	0	(68)	(12)	0	(86)	(1,234)
Capitalisations	0	(1,394)	(37,293)	(173)	(8,797)	(7,568)	(510)	(1)	(389)	(56,125)
Closing Value - 31 December 2022	**0**	**436**	**62,436**	**1**	**4,491**	**1,859**	**140**	**49**	**15**	**69,428**

Parent										
All in $000s	Land	Infrastructure	Buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Property, plant and equipment										
Cost or Fair Value - 31 December 2021	0	0	0	64	30	287	0	0	0	381
Accumulated Depreciation - 31 December 2021	0	0	0	(3)	(11)	(39)	0	0	0	(53)
Net Carrying Value - 1 January 2022	**0**	**0**	**0**	**61**	**19**	**248**	**0**	**0**	**0**	**328**
Additions	0	986	6,902	(500)	3,219	3,424	62	6	453	14,552
Acquired on Amalgamation	536,728	90,268	1,493,047	40,088	65,078	36,721	3,981	3,788	7,489	2,277,188
Reclassifications	0		0	0	28	3	0	0	0	1
Net Revaluation	0	0	0	0	0	0	0	0	0	0
Disposals	0	(4)	(196)	(795)	(1,248)	(7,624)	(168)	(1)	(137)	(10,173)
Depreciation on Disposals	0	0	919	(739)	1,213	7,220	302	0	144	9,059
Reverse Accumulated Depreciation – Reclassification	0	8	0	0	1	(3)	0	0	0	6
Reverse Accumulated Impairment Loss - Reclassification	0	(15)	(31)	0	0	0	0	0	0	(46)
Impairment Losses Expensed in P&L	0	(90)	0	(6,452)	(301)	0	0	0	0	(6,843)
Impairment Loss (on Revalued Asset) Expense to Revaluation Reserve	0	0	0	0	0	0	(43)	0	0	0
Depreciation	0	(1,883)	(14,343)	(1,071)	(3,932)	(4,280)	(395)	0	(571)	(26,475)
Cost or Fair Value	536,728	91,220	1,499,753	38,857	67,107	32,811	3,875	3,793	7,805	2,281,949
Accumulated Depreciation	0	(1,980)	(13,455)	(8,265)	(3,030)	2,898	(136)	0	(427)	(24,395)
Net Carrying Value - 31 December 2022	**536,728**	**89,240**	**1,486,298**	**30,592**	**64,077**	**35,709**	**3,739**	**3,793**	**7,378**	**2,257,554**

Notes to the Financial Statements

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Parent									
All in $000s	Land	Infrastructure	Buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Assets under construction										
Opening Value - 1 January 2022	0	0	0	0	0	0	0	0	0	0
Acquired on Amalgamation	0	22,287	36,963	0	3,822	1,625	102	25	142	64,966
Additions	0	(13,570)	21,159	1	3,252	1,526	91	24	142	12,625
Expensed	0	0	(352)	0	394	141	(12)	0	0	171
Capitalisations	0	14,141	(18,058)	0	(3,026)	(1,441)	(41)	0	(270)	(8,695)
Closing Value - 31 December 2022	**0**	**22,858**	**39,712**	**1**	**4,442**	**1,851**	**140**	**49**	**14**	**69,067**

All in $000s	Group									
	Land	Infrastructure	Buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Property, plant and equipment										
Cost or Fair Value - 31 December 2020	462,521	77,989	1,525,170	39,778	231,218	169,503	22,211	2,660	58,200	2,589,250
Accumulated Depreciation - 31 December 2020	0	(4,945)	(91,436)	(13,495)	(158,088)	(132,333)	(17,425)	(84)	(48,776)	(466,582)
Net Carrying Value - 1 January 2021	**462,521**	**73,044**	**1,433,734**	**26,283**	**73,130**	**37,170**	**4,786**	**2,576**	**9,424**	**2,122,668**
Additions	4	4,950	23,142	1,902	11,894	16,230	1,135	343	1,409	61,009
Acquisitions through Business Combinations	0	0	137	0	1,015	1,160	1,574	0	0	3,886
Reclassifications	(60,651)	4,642	(15,630)	2,003	(53)	(1)	4	0	0	(69,686)
Net Revaluation	151,161	9,411	69,874	0	0	0	0	0	0	230,446
Disposals	(9,076)	(5,052)	(48,513)	17,112	(24,184)	(35,421)	(1,944)	519	(12,610)	(119,168)
Depreciation on Disposals	0	1,219	25,920	485	19,736	34,446	1,556	25	12,549	95,935
Reverse Accumulated Depreciation – Reclassification	0	(151)	916	(844)	72	(83)	0	0	0	(90)
Reverse Accumulated Depreciation – Revaluation Write Back	0	7,172	84,666	0	0	0	0	0	0	91,839
Reverse Accumulated Impairment Loss - Reclassification	0	0	842	0	0	0	0	0	0	842
Reverse Accumulated Impairment Loss - Disposal	0	0	6,713	437	1,481	1,875	171	0	(1)	10,677
Impairment Losses Expensed in P&L	0	0	(2)	0	1	(8)	0	0	0	(9)
Impairment Loss (on Revalued Asset) Expense to Revaluation Reserve	0	0	372	0	0	0	0	0	0	372
Depreciation	0	(3,398)	(47,210)	(3,680)	(15,123)	(17,253)	(1,785)	(6)	(2,347)	(90,802)
Cost or Fair Value	543,959	91,940	1,554,180	60,794	219,890	151,472	22,981	3,522	46,999	2,695,737
Accumulated Depreciation	0	(102)	(19,219)	(17,097)	(151,921)	(113,356)	(17,484)	(65)	(38,575)	(357,819)
Net Carrying Value - 31 December 2021	**543,959**	**91,838**	**1,534,961**	**43,697**	**67,969**	**38,116**	**5,497**	**3,457**	**8,424**	**2,337,918**

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group's reclassifications of land $60.7m and buildings $15.6m is primarily driven by Unitec reclassifying $54.8m for land and $12.9m for buildings to assets held for sale.

	Group									
All in $000s	Land	Infrastructure	Buildings	Leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Assets under construction										
Opening Value - 1 January 2021	0	67	33,964	0	4,885	2,390	0	0	143	41,449
Additions	0	2,271	39,225	163	3,467	5,663	411	165	531	51,896
Expensed		0	(1,374)	0	(126)	(180)	(8)	0	(38)	(1,726)
Capitalisations	0	(1,710)	(15,820)	(16)	(4,533)	(6,097)	(167)	(165)	(546)	(29,054)
Closing Value - 31 December 2021	**0**	**629**	**55,995**	**147**	**3,692**	**1,775**	**236**	**0**	**90**	**62,564**

	Parent									
Property, plant and equipment										
Cost or Fair Value - 31 December 2021	0	0	0	0	12	80	0	0	0	92
Accumulated Depreciation - 31 December 2021	0	0	0	0	(1)	(2)	0	0	0	(3)
Net Carrying Value - 1 January 2021	**0**	**0**	**0**	**0**	**11**	**78**	**0**	**0**	**0**	**89**
Additions	0	0	0	64	19	207	0	0	0	290
Disposals	0	0	0	0	(1)	0	0	0	0	(1)
Depreciation	0	0	0	(3)	(10)	(37)	0	0	0	(50)
Cost or Fair Value	0	0	0	64	30	287	0	0	0	381
Accumulated Depreciation	0	0	0	(3)	(11)	(39)	0	0	0	(53)
Net Carrying Value - 31 December 2021	**0**	**0**	**0**	**61**	**19**	**248**	**0**	**0**	**0**	**328**

The Parent has no Assets under Construction in 2021.

Each subsidiary undertakes asset revaluations using independent registered valuers typically on a three year cycle. The timing of these valuation cycles has varied in the past from subsidiary to subsidiary. The Group decided in 2021 to align all revaluations for the Group and all subsidiaries conducted asset revaluations on all properties (land and buildings) using independent registered valuers as at 31 December 2021. Revaluation involves determining the fair value of these properties. The assessment of the fair value of the land is based on reliable market transactions and sales evidence. The fair value of the buildings is based on optimised depreciated replacement cost. The fair value of land and building assets not revalued at balance date are assessed annually to ensure that they do not differ materially from their carrying value.

The significant assumptions applied in the valuation of land and buildings are:

(a) Highest and best use of land: this has been determined by reference to zoning by the relevant District Plan. Some of the land owned by the Institute is zoned City Centre Business, some is Suburban Residential.

(b) The Institute has assumed all normal risk and rewards of ownership regarding Land and Buildings in Crown Title, although legal title has not been transferred. There are no restrictions on the use of Crown Land and Buildings.

(c) Current market expectations: this is based on yield and recent local sales.

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

(e) The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.

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

An independent revaluation was not completed for the Group in 2022 as the indicative market movements were deemed to be not material as part of the fair value assessment made by the Group. A fair value assessment will be completed for the 2023 year to determine if market conditions have sufficiently moved to deem an independent valuation being required.

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11. INTANGIBLE ASSETS

ACCOUNTING POLICY

Software acquisition and development

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and relevant professional fees. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Course-related software and websites

Course-related software and website development costs are classified as software and accounted for in accordance with the accounting policy for software. Capitalised costs are tested for impairment and, once available for use, amortised in accordance with that policy.

Courses purchased from other organisations

Separately acquired courses and programmes (including trademarks and licences) acquired from outside of Te Pūkenga Group are initially recognised at historical cost. They have a finite useful life and, subsequent to initial recognition, should be carried at cost less accumulated amortisation and impairment losses. They are amortised over a period not exceeding five years.

Internally developed courses

Course development costs are expensed when incurred unless the course development costs are directly attributable to the design of identifiable courses and programmes controlled by the Group in which case they are recognised as intangible assets where all of the following criteria are met:

(a) The course material is identifiable and the use and redistribution of course material is controlled by the Group through legal or other means.

(b) It is probable that the courses will generate future economic benefits or service potential attributable to the course and the cost can be reliably measured. This is the case when:

  (i) it is technically feasible to complete the development so that the course or programme will be available for use and/or sale;

  (ii) management intends to complete the development of the course or programme and use or sell it:

  (iii) there is an ability to use or sell the course or programme;

  (iv) it can be demonstrated how the course or programme will generate probable future economic benefits or service potential;

  (v) there are adequate technical, financial and other resources available to complete development of the course or programme and to use or sell the course or programme; and

  (vi) the expenditure attributable to the course or programme development can be reliably measured.

Capitalised course development costs related to courses that are not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Capitalised course development costs are amortised from the point at which the course or programme is ready for use and are amortised over a period not exceeding five years. They are carried at cost less accumulated amortisation and impairment losses. They are tested for impairment whenever there is an indication that the asset may be impaired. Costs associated with maintaining courses and programmes are recognised as an expense as incurred.

Intellectual property development

Research costs are expensed as incurred in the surplus or deficit. Development costs that are directly attributable to the design, construction, and testing of pre-production or pre-use prototypes and models associated with intellectual property development are recognised as an intangible asset if all the following can be demonstrated:

(a) It is technically feasible to complete the product so that it will be available for use or sale.

(b) Management intends to complete the product and use or sell it.

(c) There is an ability to use or sell the product.

(d) It can be demonstrated how the product will generate probable future economic benefits.

(e) Adequate technical, financial, and other resources to complete the development and to use or sell the product are available.

(f) The expenditure attributable to the product during its development can be reliably measured.

Other development expenses that do not meet these criteria are recognised as an expense as incurred in the surplus or deficit. Development costs previously recognised as an expense cannot be subsequently recognised as an asset.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

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

- Computer software 2 to 10 years 16.7% to 33.3%.

The useful life of completed projects will be established at project completion.

Impairment of intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Goodwill

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

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

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

Assets Under Construction
As at 31 December the Group was engaged in various construction and development projects that were not yet completed. These assets are classified as assets under construction. Once completed these assets will be transferred from assets under construction to the relevant intangible asset category.

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

Intangible assets acquired on amalgamation
Any intangible assets acquired on amalgamation are valued at fair value being cost less depreciation.

	Group					
All in $000s	Computer software	Goodwill	Course development	Other intangible assets	Leased assets	Total
Intangibles						
Cost or Fair Value - 31 December 2021	163,683	407	62,415	9,835	2,099	238,439
Accumulated Amortisation - 31 December 2021	(127,728)	(407)	(31,879)	(4,257)	(1,130)	(165,401)
Net Carrying Value - 1 January 2022	**35,955**	**0**	**30,536**	**5,578**	**969**	**73,038**
Additions	8,722	0	9,569	88	464	18,843
Acquired on Amalgamation	1,717	0	1,324	1,787	0	4,828
Reclassifications	6,083	0	(830)	0	0	5,253
Disposals	(20,543)	0	(6,408)	(2,202)	(241)	(29,394)
Amortisation on Disposals	20,636	0	(2,118)	235	(52)	18,701
Reverse Accumulated Amortisation – Reclassification	0	0	0	0	0	0
Reverse Accumulated Impairment Loss - Disposal	15	0	0	0	293	308
Impairment Losses Expensed in P&L	(4,021)	0	(967)	0	0	(4,988)
Amortisation	(14,365)	0	(9,075)	(930)	(543)	(24,913)
Cost or Fair Value	159,662	407	66,070	9,508	2,322	237,969
Accumulated Amortisation	(125,463)	(407)	(44,039)	(4,952)	(1,432)	(176,293)
Net Carrying Value - 31 December 2022	**34,199**	**0**	**22,031**	**4,556**	**890**	**61,676**

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11. INTANGIBLE ASSETS (CONTINUED)

	Group					
All in $000s	Computer software	Goodwill	Course development	Other intangible assets	Lease assets	Total
Assets under construction						
Opening Value - 1 January 2022	**2,045**	**0**	**4,958**	**0**	**0**	**7,003**
Additions	2,574	0	8,789	98	0	11,461
Expensed	(250)	0	(54)	0	0	(304)
Capitalisations	(3,635)	0	(5,257)	(84)	0	(8,976)
Closing Value - 31 December 2022	**734**	**0**	**8,436**	**14**	**0**	**9,184**
	Parent					
Intangibles						
Cost or Fair Value - 31 December 2021	0	0	0	0	0	0
Accumulated Amortisation - 31 December 2021	0	0	0	0	0	0
Net Carrying Value - 1 January 2022	**0**	**0**	**0**	**0**	**0**	**0**
Additions	4,714	0	75	18	78	4,885
Acquired on Amalgamation	31,333	0	17,515	9,778	907	59,533
Reclassifications	(10)	0	(1,972)	0	0	(1,982)
Disposals	(226)	0	1,867	(8,569)	(29)	(6,957)
Amortisation on Disposals	142	0	90	2,047	0	2,279
Reverse Accumulated Amortisation – Reclassification	0	0	0	0	0	0
Reverse Accumulated Impairment Loss - Disposal	0	0	0	0	29	29
Reverse Accumulated Impairment Loss Expensed	0	0	0	0	0	0
Impairment Losses Expensed in P&L	0	0	0	0	0	0
Amortisation	(3,696)	0	(1,486)	(183)	(95)	(5,460)
Cost or Fair Value	35,821	0	17,485	1,227	956	55,489
Accumulated Amortisation	(3,554)	0	(1,396)	1,864	(66)	(3,152)
Net Carrying Value - 31 December 2022	**32,267**	**0**	**16,089**	**3,091**	**890**	**52,337**
Assets under construction						
Opening Value - 1 January 2022	**0**	**0**	**0**	**0**	**0**	**0**
Acquired on Amalgamation	**3,982**	**0**	**3,267**	**8**	**0**	**7,257**
Additions	(343)	0	1,469	24	0	1,150
Expensed	(250)	0	0	0	0	(250)
Capitalisations	(2,705)	0	12	(18)	0	(2,711)
Closing Value - 31 December 2022	**684**	**0**	**4,748**	**14**	**0**	**5,446**

All in $000s	Group: Computer software	Goodwill	Course development	Other intangible assets	Lease assets	Total
Intangibles						
Cost or Fair Value - 31 December 2020	150,271	407	51,461	19,038	2,276	223,453
Accumulated Amortisation - 31 December 2020	(104,522)	(407)	(38,525)	(6,164)	(900)	(150,518)
Net Carrying Value - 1 January 2021	**45,749**	**0**	**12,936**	**12,874**	**1,376**	**72,935**
Additions	10,398	0	13,620	(1,548)	125	22,595
Acquired on Amalgamation	7,170	0	3,974	0	0	11,144
Reclassifications	0	0	501	0	0	501
Disposals	(4,156)	0	(7,141)	(7,655)	(302)	(19,254)
Amortisation on Disposals	998	0	14,040	3,518	302	18,858
Reverse Accumulated Amortisation – Reclassification	(4,186)	0	(3,017)	0	0	(7,203)
Reverse Accumulated Impairment Loss - Disposal	183	0	0	0	0	183
Impairment Losses Expensed in P&L	(5,088)	0	1,871	0	0	(3,217)
Amortisation	(15,113)	0	(6,248)	(1,612)	(532)	(23,504)
Cost or Fair Value	163,683	407	62,415	9,835	2,099	238,439
Accumulated Amortisation	(127,728)	(407)	(31,879)	(4,257)	(1,130)	(165,401)
Net Carrying Value - 31 December 2021	**35,955**	**0**	**30,536**	**5,578**	**969**	**73,038**
Assets under construction						
Opening Value - 1 January 2021	**3,417**	**0**	**9,245**	**0**	**0**	**12,662**
Additions	2,449	0	5,471	90	0	8,010
Expensed	(81)	0	(470)	0	0	(551)
Capitalisations	(3,739)	0	(9,288)	(90)	0	(13,117)
Closing Value - 31 December 2021	**2,045**	**0**	**4,958**	**0**	**0**	**7,003**

The Parent has no Intangibles or Assets under construction in 2021.

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12. INVESTMENT IN ASSOCIATES, JOINT VENTURES AND SUBSIDIARIES

ACCOUNTING POLICY

Associate

An associate is an entity over which Te Pūkenga has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the Group financial statements using the equity method of accounting. Investments in associates are measured at cost in the parent financial statements.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are measured at cost in the parent financial statement. Investments in associates and joint ventures are accounted for in the Group financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the change in net assets of the entity after the date of acquisition. The Group's share of the surplus or deficit is recognised in the Group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the Group financial statements.

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

Subsidiaries

The Group's accounting policy relating to subsidiaries is in Note 29.

The former ITPs had investments in above subsidiaries/associates/joint ventures which was acquired by Te Pūkenga upon amalgamation.

Details of holdings in subsidiaries and associates are shown in the table below:

2022	Ownership %	Balance date	Entity Classification
Subsidiary/Associate/Joint venture			
Ara Foundation	100	31/12/22	Subsidiary
Otautahi Education Development Trust (OEDT)	100	31/12/22	Subsidiary
Te Aho a Maui Limited	100	31/12/22	Subsidiary
Nelson Polytechnic Educational Society Incorporated	100	31/12/22	Subsidiary
ESA publications (NZ) Limited	100	31/12/22	Subsidiary
Open Education Resource Foundation Limited	100	31/12/22	Subsidiary
OPAIC Limited Partnership	50	31/12/22	Joint Venture
Otago Polytechnic Education Foundation Trust	100	31/12/22	Subsidiary
Southern Lakes English College	100	31/12/22	Subsidiary
Unitec Trust	100	31/12/22	Subsidiary
Unitec Apprenticeship Training Trust	100	31/12/22	Subsidiary
Soda Inc Ltd	100	31/12/22	Subsidiary
Motortrain Limited	25	31/12/22	Associate
Mondragon-Wintec Saudia Arabia LLC	100	31/12/22	Subsidiary
Wintec KSA Limited	100	31/12/22	Subsidiary
Polytechnics International New Zealand (PINZ)	100	31/12/22	Subsidiary
Wintec Foundation Trust	100	31/12/22	Subsidiary
LearningWorks Ltd	100	31/12/22	Subsidiary
Te Pūkenga - Work Based Learning Limited	100	31/12/22	Subsidiary

Details of holdings in subsidiaries and associates are shown in the table below:

2021	Ownership %	Balance date	Entity Classification
Subsidiary/Associate/Joint venture			
Ara institute of Canterbury	100	31/12/22	Subsidiary
Eastern Institute of Technology Limited	100	31/12/22	Subsidiary
Manukau Institute of Technology Limited	100	31/12/22	Subsidiary
Nelson Marlborough Institute of Technology Limited	100	31/12/22	Subsidiary
Northland Polytechnic Limited	100	31/12/22	Subsidiary
Open Polytechnic of New Zealand Limited	100	31/12/22	Subsidiary
Otago Polytechnic Limited	100	31/12/22	Subsidiary
Southern Institute of Technology Limited	100	31/12/22	Subsidiary
Tai Poutini Polytechnic Limited	100	31/12/22	Subsidiary
Te Pūkenga - Work Based Learning Limited	100	31/12/22	Subsidiary
Toi Ohomai Institute of Technology Limited	100	31/12/22	Subsidiary
Unitec New Zealand Limited	100	31/12/22	Subsidiary
Universal College of Learning Limited	100	31/12/22	Subsidiary
Waikato Institute of Technology Limited	100	31/12/22	Subsidiary
Wellington Institute of Technology Limited	100	31/12/22	Subsidiary
Western Institute of Technology at Taranaki Limited	100	31/12/22	Subsidiary
Whitireia Community Polytechnic Limited	100	31/12/22	Subsidiary
OPAIC Limited Partnership	50	31/12/22	Joint Venture

The business activity of all above relates to the provision of Tertiary Vocational Education.

	Group		Parent	
All in $000s	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Carrying value of investments as at 31 December:				
ESA publications (NZ) Limited	0	0	1,881	0
Southern Lakes English College	0	0	250	0
OPAIC Limited Partnership	943	1,130	943	0
Total	**943**	**1,130**	**3,074**	**0**

The $250,000 is an intercompany loan from Te Pūkenga to support the on-going operations of Southern Lakes English College. On the consolidation, of the group level, this is eliminated.

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13. INVESTMENT PROPERTY

ACCOUNTING POLICY

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

	Group					
	1 Jan 2022	2022				31 Dec 2022
All in $000s	Opening Value	Additions	Reclassifications	Revaluation	Disposals	Closing Value
Investment property						
OEDT - Ara	3,615	0	0	(325)	0	3,290
ARA Foundation - Ara	800	0	(800)	0	0	0
Tokoroa Investment Property - Toi Ohomai	130	0	(130)	0	0	0
Total investment property	**4,545**	**0**	**(930)**	**(325)**	**0**	**3,290**

	Group					
	1 Jan 2021	2021				31 Dec 2021
All in $000s	Opening Value	Additions	Reclassifications	Revaluation	Disposals	Closing Value
Investment property						
OEDT - Ara	3,295	0	0	320	0	3,615
ARA Foundation - Ara	500	0	0	300	0	800
Tokoroa Investment Property - Toi Ohomai	130	0	0	0	0	130
Total investment property	**3,925**	**0**	**0**	**620**	**0**	**4,545**

The valuation of investment property for OEDT was performed by an independent registered valuer, Telfer Young, on 31 December 2021. Telfer Young are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Group.

The valuation of investment property for Ara Foundation was performed by an independent registered valuer, Colliers International Valuation (ChCh) Limited, on 28 October 2021. Colliers International Valuation (ChCh) Limited are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Group.

The Parent has no Investment Properties in either 2022 or 2021.

All in $000s	Parent						
	1 Jan 2022		2022				31 Dec 2022
	Opening Value	Acquired on Amalgamation	Additions	Reclassifications	Revaluation	Disposals	Closing Value
Investment property							
Tokoroa Investment Property - Toi Ohomai	0	130	0	(130)	0	0	0
Total investment property	**0**	**130**	**0**	**(130)**	**0)**	**0**	**0**

The valuation of investment property for the Ōtautahi Education Development Trust (OEDT) as at 31 December 2022 was performed by an independent registered valuer, Telfer Young, on 31 December 2022. Telfer Young are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Group.

The valuation of investment property for OEDT was performed by an independent registered valuer, Telfer Young, on 31 December 2021. Telfer Young are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Group.

The valuation of investment property for Ara Foundation was performed by an independent registered valuer, Colliers International Valuation (ChCh) Limited, on 28 October 2021. Colliers International Valuation (ChCh) Limited are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Group.

The Parent has no Investment Properties in 2021.

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14. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY
Short-term payables are recorded at the amount payable. Payables are non- interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Payables under exchange transactions					
Trade payables		46,948	45,692	30,061	185
Related party payables		0	(0)	2,918	224
Other payables		35,311	22,319	46,465	994
Total payables under exchange transactions		**82,259**	**68,011**	**79,444**	**1,403**
Payables under non-exchange transactions					
Other payables		30,293	10,427	25,998	1,262
Related party payables		0	(0)	8,487	29,970
Net GST payable/(receivable)		20,035	14,674	18,464	1,478
Total payables under non-exchange transactions		**50,328**	**25,101**	**52,949**	**32,710**
Total trade and other payables		**132,587**	**93,112**	**132,393**	**34,113**

15. EMPLOYEE BENEFIT LIABILITIES

ACCOUNTING POLICY
Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to - but not yet taken - at balance date, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Employee entitlements

Entitlements, which are payable beyond twelve months are calculated on an actuarial basis. The calculations are based on the likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement (being the probability rate) and contractual entitlements information; and the present value of the estimated future cash flows.

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

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

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

Superannuation schemes
Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expenses in the surplus or deficit when incurred.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Employee entitlements					
Accrued pay		7,986	5,610	7,468	0
Annual leave		49,952	45,555	41,626	323
Sick leave		1,483	1,406	1,479	0
Long service leave		2,571	2,402	2,575	0
Retirement leave		2,126	2,159	2,126	0
Restructuring provision		130	82	130	0
Other employee entitlements		3,436	1,816	2,826	1
Total employee benefit liabilities		**67,685**	**59,030**	**58,230**	**324**
Current portion		63,868	55,140	54,436	324
Non-current portion		3,817	3,890	3,794	0
Total employee benefit liabilities		**67,685**	**59,030**	**58,230**	**324**

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for the year ended 31 December 2022

16. REVENUE RECEIVED IN ADVANCE

ACCOUNTING POLICY

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

WBL Operates a rolling enrolment programme. In some instances, fees are payable at the commencement of the programme of training, for the duration of the training. Similarly, government grants are paid in advance of delivery of training services. Where fees and grants have substantive delivery conditions, revenue in advance is recognised until these conditions are satisfied.

Deferred revenue from research contracts includes both liabilities recognised for research funding with unsatisfied conditions (non-exchange contracts) and liabilities for exchange research funding received in excess of costs incurred to date on the required research.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Revenue received in advance					
Government grants		41,168	60,757	38,231	12,001
Students' fees		121,226	91,499	116,286	0
Other revenue received in advance		19,523	15,721	7,424	0
Total revenue received in advance		**181,918**	**167,977**	**161,941**	**12,001**
Current portion		166,263	167,977	161,941	12,001
Non-current portion		15,655	0	0	0
Total revenue received in advance		**181,918**	**167,977**	**161,941**	**12,001**

17. BORROWINGS

ACCOUNTING POLICY
Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless Te Pūkenga or the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Borrowings					
Current portion		4,305	24,233	3,745	0
Non-current portion		39,924	35,324	31,888	0
Total		**44,229**	**59,557**	**35,633**	**0**
Weighted average effective interest rate		1.0%	1.0%	1.0%	0.0%

Te Pūkenga's borrowing arrangements are as follow:

		Group			
		Ara	UCOL	Unitec	Otago
Lender name		ANZ Bank New Zealand Limited	Ministry of Education	Crown	Crown
Facility description		$10,779,987 for the Ōtauatahi Education Development Trust subsidiary	$3,556,600 Capital Injection repayable on demand zero % interest	$50,000,000 10-year concessionary Loan	$12,300,000 (full loan amount $18,000,000 Interest free with repayments to start September 2024)
Maturity date of facility		31-Aug-24	On demand	31-Aug-28	31-Sep-2030
Date of Ministry of Education consent to borrow		Not required	Not required	22-Aug-18	Not required
Borrowing Paydown as at 31 December 2022		$560,000	$0	$0	$0
Covenants				Quarterly reporting in lieu of covenants	Funds only to be used to fund Trades building construction
Maximum total debt to total debt plus equity	Actual	28.15%			
	Required	<=50%			
Minimum interest cover ratio	Actual	4.11			
	Required	>1.5:1			

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17. BORROWINGS (CONTINUED)

	Parent		
	UCOL	**Unitec**	**Otago**
Lender name	Ministry of Education	Crown	Crown
Facility description	$3,556,600 Capital Injection repayable on demand zero % interest	$50,000,000 10-year concessionary Loan	$12,300,000 (full loan amount $18,000,000 Interest free with repayments to start September 2024)
Maturity date of facility	On demand	31-Aug-28	31/9/2030
Date of Ministry of Education consent to borrow	Not required	22-Aug-18	
Borrowing Paydown as at 31 December 2022	$0	$0	$0
Covenants		Quarterly reporting in lieu of covenants	Funds only to be used to fund Trades building construction

18. FINANCE LEASES

ACCOUNTING POLICY

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

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

The Group's finance leases relate to buildings and computer equipment.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Finance leases					
Current portion		2,582	2,785	2,582	0
Non-current portion		37,153	38,713	37,153	0
Total		**39,735**	**41,498**	**39,735**	**0**
Weighted average effective interest rate		5.4%	5.1%	5.4%	0.0%
Finance leases as lessee **Non-cancellable minimum finance lease payments are payable as follows:**					
Not later than one year		4,992	4,773	4,992	0
Later than one year and not later than five years		13,857	14,076	13,857	0
Later than five years		56,059	53,755	56,059	0
Total minimum lease payments as lessee		**74,908**	**72,603**	**74,908**	**0**
Future finance charges		35,173	31,105	35,173	0
Present value of minimum lease payments		39,735	41,498	39,735	0
Present value of minimum lease payments payable					
Not later than one year		2,582	2,785	2,582	0
Later than one year and not later than five years		4,681	6,553	4,681	0
Later than five years		32,472	32,160	32,472	0
Total present value of minimum lease payments		**39,735**	**41,498**	**39,735**	**0**

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

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19. OTHER FINANCIAL ASSETS AND LIABILITIES

ACCOUNTING POLICY

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Term deposits and loans to subsidiaries

Term deposits from subsidiaries/business divisions and loans to subsidiaries/Business Divisions are initially measured at fair value these are eliminated on consolidation. Receipts from these instruments consist of solely payments of principal and interest. They are subsequently measured at amortised cost using the effective interest method. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

New Zealand Government bonds

Government bonds are classified as fair value through other comprehensive revenue and expense as they might be sold prior to maturity for liquidity reasons. They are included in non-current assets unless the bonds mature or are intended to be disposed of within 12 months of the end of the reporting period.

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

At the end of each reporting period an assessment is made of whether there is objective evidence that investments in bonds are impaired. Evidence of impairment may include indications that the debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payment and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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

If, in a subsequent period, the fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss is reversed through surplus or deficit.
On disposal of the investment, the financial asset is derecognised, and the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit as a reclassification adjustment.

Managed fund

The managed fund is a portfolio of financial assets that are actively traded with the intention of making profits. Therefore, the managed fund is classified as fair value through surplus or deficit. After initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit.

Loss allowance for term deposits, Government bonds and after deposits

The Group considers there has not been a significant increase in credit risk for investments in term deposits and Government bonds because the issuer of the investment continues to have low credit risk at balance date. Term deposits are held with banks that have a long-term A (and above) investment external grade credit rating and the New Zealand Government has a credit rating of AA+, which indicates that these entities have a very strong capacity to meet their financial commitments. The balance of loans to subsidiaries is immaterial.

No loss allowance for expected credit losses has been recognised because the estimated 12-month expected loss allowance for credit losses is trivial.

Unlisted Shares

Investments in unlisted shares that are not held for trading are irrevocably designated at fair value through other comprehensive revenue and expense at initial recognition. They are included in non-current assets unless it is intended that the investments will be disposed of within 12 months of the end of the reporting period.

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

These equity instruments are not subject to impairment assessments. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to general funds.

Fair value

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation techniques using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

Impairment of financial assets held at amortised cost

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that Te Pūkenga expects to receive).

Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). Loss allowances on cash and cash equivalents, term deposits and loans to subsidiaries are measured at 12 month ECLs if credit risk has not increased significantly since initial recognition. Should credit risk of these instruments increase significantly, loss allowances are measured at an amount equal to lifetime ECL.

Loss allowances for receivables are always measured at an amount equal to lifetime ECLs. Te Pūkenga applies the simplified approach, as permitted by PBE IPSAS 41. For the simplified approach the Group establishes a provision matrix that is based on historical credit loss experience, adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customer to settle the amount receivable.

The Group considers a financial asset to be in default when:

- The financial asset is more than 30 days past due, and/or
- The borrower is unlikely to pay its credit obligations to the Group in full.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The unrecoverable portion of a financial asset is written off when the Group has no reasonable expectations of recovering all or some of a financial asset. For student fees, the Group has a policy of writing off the gross carrying amount when the receivable is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

		Group		Parent	
All in $000s	Note	Actual 2022	Actual (Restated) 2021	Actual 2022	Actual 2021
Financial instrument categories					
The accounting policies for financial instruments have been applied to the line items below:					
Financial assets measured at amortised cost (2021: loans and receivables)					
Cash and cash equivalents		337,639	207,371	272,339	65,086
Term deposits with maturities greater than 3 months at acquisition		97,410	99,403	98,827	0
Related party loan receivables		0	0	0	60,400
Investments in debt instruments		126	20,642	232	0
Student fees and other receivables		138,475	153,900	105,892	14,775
Total		**573,650**	**481,316**	**477,290**	**140,261**
Financial assets mandatorily measured at fair value through surplus or deficit					
Managed investment portfolio		15,812	11,904	132	0
Derivative financial instruments		311	0	311	0
Total		**16,123**	**11,904**	**443**	**0**
Financial liabilities					
Financial liabilities measured at amortised cost					
Creditors and other payables		112,552	93,112	113,930	34,113
Finance leases		39,735	41,498	39,735	0
Related party term deposit payables		0	0	42,000	67,600
Borrowing		44,229	59,556	35,633	0
Total financial liabilities measured at amortised cost		**196,516**	**194,166**	**231,298**	**101,713**
Financial liabilities measured at fair value through surplus or deficit					
Derivative financial instruments		0	23	0	0
Total financial liabilities measured at fair value through surplus or deficit		**0**	**23**	**0**	**0**

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

Te Pūkenga and the Group has policies to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

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

2022	Group						
All in $000s	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Trade and other payables	112,552	112,552	112,552	0	0	0	0
Borrowings	57,520	68,291	47,665	4,444	1,237	1,198	13,747
Finance leases	37,933	51,697	1,340	2,297	3,157	2,065	42,838
Total financial liabilities at amortised cost	**208,316**	**232,851**	**161,868**	**6,741**	**4,394**	**3,263**	**56,585**

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

2022	Parent						
All in $000s	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Trade and other payables	113,930	113,930	105,099	8,831	0	0	0
Related party term deposit payables	42,000	42,000	42,000	0	0	0	0
Borrowings	48,924	57,203	48,924	3,811	0	4,417	51
Finance leases	37,933	51,697	1,340	2,297	3,157	2,065	42,838
Total financial liabilities at amortised cost	**242,787**	**264,830**	**197,363**	**14,939**	**3,157**	**6,482**	**42,889**
Derivative financial instruments	0	0	0	0	0	0	0
Total financial liabilities at amortised cost	**0**	**0**	**0**	**0**	**0**	**0**	**0**

2021	Group						
All in $000s	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Trade and other payables	93,112	93,112	83,677	9,435	0	0	0
Borrowings	59,557	59,557	23,855	378	789	574	33,961
Finance leases	38,647	41,499	890	1,896	3,364	1,281	34,067
Total financial liabilities at amortised cost	**191,316**	**194,167**	**108,422**	**11,708**	**4,153**	**1,855**	**68,028**
Derivative financial instruments	23	23	0	0	0	0	23
Total financial liabilities at amortised cost	**23**	**23**	**0**	**0**	**0**	**0**	**23**

2021	Parent						
All in $000s	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Trade and other payables	34,113	34,113	34,113	0	0	0	0
Related Party Term Deposit Payables	67,600	67,600	56,600	11,000	0	0	0
Borrowings	0	0	0	0	0	0	0
Finance leases	0	0	0	0	0	0	0
Total financial liabilities at amortised cost	**101,713**	**101,713**	**90,713**	**11,000**	**0**	**0**	**0**
Derivative financial instruments	0	0	0	0	0	0	0
Total financial liabilities at amortised cost	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

MARKET RISK
Price risk
Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Te Pūkenga is exposed to price risk. The investment philosophy and approach is conservative, it recognises that all investments held should be low risk.

Foreign exchange risk
Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Te Pūkenga and the Group is exposed to currency risk. Te Pūkenga and the Group manages currency risks by entering forward foreign exchange contracts and through diversifying investments across different currencies.

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

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

2022	Group				Parent			
All in $000s	<1 year	>1 year - <2 years	>2 years	Total	<1 year	>1 year - <2 years	>2 years	Total
Cash and cash equivalents	337,639	0	0	337,639	272,339	0	0	272,339
Term Deposits greater than 3 months	96,910	500	0	97,410	95,266	3,561	0	98,827
Managed investment portfolio	15,680	0	132	15,812	0	0	132	132
Weighted average effective interest rate	1.18%	0.0%	0.0%		1.8%	0.0%	0.0%	

2021	Group				Parent			
All in $000s	<1 year	>1 year - <2 years	>2 years	Total	<1 year	>1 year - <2 years	>2 years	Total
Cash and cash equivalents	206,901	0	470	207,371	65,086	0	0	65,086
Term Deposits greater than 3 months	98,912	491	0	99,403	0	0	0	0
Managed investment portfolio	11,197	180	526	11,904	0	0	0	0
Weighted average effective interest rate	0.7%	0.0%	0.0%		0.2%	0.0%	0.0%	

Cash flow interest rate risk

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates create exposure to cash flow interest rate risk. Te Pūkenga has a treasury management policy designed to ensure debt levels are sustainable and servicing costs are minimised. Interest rate swaps are utilised to manage interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Te Pūkenga and the Group, causing it to incur a loss. In the normal course of business, Te Pūkenga and the Group is exposed to credit risk from cash and term deposits with banks, receivables, Government bonds, loans to subsidiaries, derivative financial instrument assets, and bonds within the managed fund investment. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and bonds, which give rise to credit risk. Te Pūkenga and the Group limits the amount of credit exposure to any one financial institute for term deposits to no more than 25% of total investments held. Te Pūkenga and the Group invests funds only with registered banks that have a Standard and Poor's credit rating of at least A2 for short-term investments and A for long-term investments. Te Pūkenga and the Group has experienced no defaults of interest or principal payments for term deposits. Te Pūkenga and the Group holds no collateral or other credit enhancements for financial instruments that give rise to credit risk. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual (Restated) 2021	Actual 2022	Actual 2021
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:					
Counterparties with credit ratings					
Cash and cash equivalents and term deposits:					
AA-		400,301	282,079	316,294	65,069
A		19,933	15,986	51,311	0
Counterparties without credit ratings					
Cash and cash equivalents and term deposits:					
Existing counterparty with no defaults in the past		12,804	8,709	0	17
Existing counterparty with defaults in the past		2,012	0	0	0
Investments:					
Existing counterparty with no defaults in the past		15,812	11,904	132	0
Existing counterparty with defaults in the past		0	0	0	0
Total cash and cash equivalents and term deposits		**450,862**	**318,677**	**367,737**	**65,086**
Debtors and other receivables					
Existing counterparty with no defaults in the past		138,475	153,900	105,892	14,775
Existing counterparty with defaults in the past		0	0	0	0
Total debtors and other receivables		**138,475**	**153,900**	**105,892**	**14,775**

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Trade and other receivables

Trade and other receivables mainly arise from the operation functions, therefore there are no procedures in place to monitor or report the credit quality of trade and other receivables with reference to internal or external credit ratings. Te Pūkenga is not exposed to any material concentrations of credit risk. Trade and other receivables balances are monitored on an ongoing basis to ensure that the exposure to bad debts is not significant.

Liquidity risk

Liquidity risk is the risk that Te Pūkenga and the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Te Pūkenga aims to maintain flexibility in funding by keeping committed credit lines available. Te Pūkenga and the Group manages liquidity risk by continuously monitoring forecast and actual cash flow requirements. The table below analyses financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the undiscounted contractual cash flows.

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding retained surplus) for reasonably possible market movements in price and interest rates, with all other variables held constant, based on financial instrument exposures at balance date.

	Group				Parent			
	+100BPS		-100BPS		+100BPS		-100BPS	
All in $000s	Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
Interest rate risk 31 December 2022								
Financial assets								
Cash and cash equivalents	515	426	(515)	(426)	387	254	(387)	(254)
Term deposits with maturities greater than 3 months at acquisition	1,300	1,243	(1,300)	(1,243)	1,219	965	(1,219)	(965)
Investments in debt instruments	0	0	0	0	0	0	0	0
Managed investment portfolio	65	65	(65)	(65)	0	0	0	0
Derivative financial instruments	3	3	(3)	(3)	0	0	0	0
Total sensitivity to interest rate risk - financial assets	**1,883**	**1,736**	**(1,883)**	**(1,737)**	**1,606**	**1,219**	**(1,606)**	**(1,219)**
Financial liabilities								
Related party term deposit payables	0	0	0	0	0	0	0	0
Borrowings	548	525	(548)	(525)	193	416	(193)	(416)
Total sensitivity to interest rate risk - financial liabilities	**548**	**525**	**(548)**	**(525)**	**193**	**416**	**(193)**	**(416)**

	Group				Parent			
	+100BPS		-100BPS		+100BPS		-100BPS	
All in $000s	Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
Interest rate risk 31 December 2021								
Financial assets								
Cash and cash equivalents	221	135	(102)	(191)	0	0	0	0
Term deposits with maturities greater than 3 months at acquisition	1,005	814	(993)	(813)	0	0	0	0
Investments in debt instruments	0	0	0	0	0	0	0	0
Listed Shares	70	77	(70)	(77)	0	0	0	0
Total sensitivity to interest rate risk - financial assets	**1,296**	**1,026**	**(1,165)**	**(1,081)**	**0**	**0**	**0**	**0**
Financial liabilities								
Derivative financial instruments	0	0	0	0	0	0	0	0
Related party term deposit payables	0	0	0	0	676	0	(676)	0
Borrowings	514	684	(514)	(684)	0	0	0	0
Total sensitivity to interest rate risk - financial liabilities	**514**	**684**	**(514)**	**(684)**	**676**	**0**	**(676)**	**0**

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example a decrease in 100 bps is equivalent to a decrease in interest rates of 1.0%.

Fair value estimation and fair value hierarchy
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes. Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. The fair values of all financial instruments equate to carrying values.

Fair value hierarchy disclosures
For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation techniques using observable inputs - Financial instruments with quoted process for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where significant inputs are observable.
- Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are not observable.

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	Group			
All in $000s	Total	Quoted market price	Observable inputs	Significant non-observable inputs
Fair value of financial instruments 31 December 2022				
Financial assets				
Managed investment portfolio	15,812	15,812	0	0
Derivative financial instruments	311	0	311	0
Total Fair Value of Financial Instruments - financial assets	**16,123**	**15,812**	**311**	**0**

	Parent			
All in $000s	Total	Quoted market price	Observable inputs	Significant non-observable inputs
Fair value of financial instruments 31 December 2022				
Financial assets				
Managed investment portfolio	132	132	0	0
Derivative financial instruments	311	0	311	0
Total Fair Value of Financial Instruments - financial assets	**443**	**132**	**311**	**0**
Financial liabilities				
Total Fair Value of Financial Instruments - financial liabilities	**0**	**0**	**0**	**0**

All in $000s	Group Total	Group Quoted market price	Group Observable inputs	Group Significant non-observable inputs
Fair value of financial instruments 31 December 2021				
Financial assets				
Managed investment portfolio	11,904	11,900	4	0
Total Fair Value of Financial Instruments - financial assets	**11,904**	**11,900**	**4**	**0**
Financial liabilities				
Derivative financial instruments	23	23	0	0
Total Fair Value of Financial Instruments - financial liabilities	**23**	**23**	**0**	**0**

All in $000s	Parent Total	Parent Quoted market price	Parent Observable inputs	Parent Significant non-observable inputs
Fair value of financial instruments 31 December 2021				
Financial assets				
Managed investment portfolio	0	0	0	0
Total Fair Value of Financial Instruments - financial assets	**0**	**0**	**0**	**0**
Financial liabilities				
Related party term deposit payables	42,000	42,000	0	0
Total Fair Value of Financial Instruments - financial liabilities	**42,000**	**42,000**	**0**	**0**

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for the year ended 31 December 2022

19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	Group			
All in $000s	Total	Secured loans	Finance leases	Interest rate swaps
Reconciliation of movements in liabilities arising from financing activities				
Balance at 1 January 2022	101,076	59,556	41,499	22
Net cash flows	(16,575)	(14,564)	(2,011)	0
Fair value	289	0	0	289
New leases	1,061	0	1,061	0
Other changes	(1,577)	(763)	(814)	0
Balance at 31 December 2022	**84,274**	**44,229**	**39,735**	**311**

20. CAPITAL MANAGEMENT

Te Pūkenga and the Group's capital is its equity, which comprises accumulated funds and reserves. Equity is represented by net assets. Te Pūkenga is subject to the financial management and accountability provisions of the Crown Entities Act 2004 and the Education and Training Act 2020, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives and is compliant with these requirements. Te Pūkenga manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that Te Pūkenga effectively achieves its objectives and purpose, while remaining a going concern.

21. EQUITY

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

- general funds;
- property revaluation reserves.
- restricted reserves.
- trusts and bequests reserve.

General funds
These general reserves can be used towards any unspecified future purpose.

In 2022, the Group's general funds balance include $8.1m of balance acquired on amalgamation by WBL during the year.

In 2021, the Group's general funds balance is inclusive of $2.85m in capital reserves through Nelson Marlborough Institute of Technology Limited and $0.27m for the recognition of assets transferred from another subsidiary through Southern Institute of Technology Limited.

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

Restricted reserves
These reserves are subjected to restrictions that prevent the Group from using those funds until certain restrictions are met.

It includes cash balances with use of restrictions within the region in which they were generated, mentioned in Note 4. Upon amalgamation to WBL, the TITOs provided cash balances which included as cash balances with use of restrictions (ring-fenced funds). The cash balances are held separately, and further details can be seen in Note 4. In 2021 there were additonal reserves such as Ara Institute of Canterbury Limited's earthquake insurance reserve of $27.34m and Otago Polytechnic Limited's polytechnic equity of $2.25m.

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

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

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

Opening balance adjustment

Opening balance adjustments are adjustments that are made by divisions which wasn't included in Te Pūkenga's group accounts.

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21. EQUITY (CONTINUED)

		Group		Parent	
All in $000s	Note	Actual 2022	Actual (Restated) 2021	Actual 2022	Actual 2021
General funds					
Balance as at 1 January		1,275,994	1,254,242	33,488	34,718
Acquired on amalgamation		8,236	0	1,315,842	0
Opening balance adjustment		0	6,430	0	0
Transfer from revaluation reserves on sale of assets held for sale		57,074	3,012	0	0
Distribution to the Crown		0	(0)	0	0
Surplus/(deficit) for the year before other comprehensive revenue and expenditure		(80,352)	7,623	(197,960)	(1,230)
Less surplus/deficit attributable to other equity classes/reserves		96	(126)	133	0
Other comprehensive revenue and expense		(1,939)	0	0	0
Capital contributions from the Crown		24,065	4,813	25,000	0
Balance as at 31 December		**1,283,175**	**1,275,994**	**1,176,503**	**33,488**
Property revaluation reserves					
Balance as at 1 January		1,232,491	908,112	0	0
Acquired on amalgamation		0	0	1,145,362	0
Opening balance adjustment		0	4,734	(49)	0
Property revaluation reserve transfer on reclassification		0	0	0	0
Transfer to equity on sale of assets held for sale		(57,143)	(3,012)	0	0
Land net revaluations loss		(5,739)	151,161	(2,390)	0
Infrastructure revaluation loss		162	16,583	0	0
Buildings net revaluations loss		(16,277)	154,913	0	0
Total net revaluations loss		**(21,854)**	**322,657**	**(2,390)**	**0**
Balance as at 31 December		**1,153,494**	**1,232,491**	**1,142,923**	**0**
Revaluation Reserves Consist of:					
Land		432,614	495,427	424,314	0
Infrastructure		15,758	15,596	15,758	0
Buildings		705,122	721,468	702,851	0
Total Property Revaluation Reserves		**1,153,494**	**1,232,491**	**1,142,923**	**0**

All in $000s	Note	Group Actual 2022	Group Actual 2021	Parent Actual 2022	Parent Actual 2021
Trusts and bequests					
Opening balance		3,849	3,524	0	0
Balance acquired on amalgamation		0	0	2,216	0
Interest received		29	328	9	0
Less grants awarded		(14)	(3)	6	0
Total trust funds		**3,864**	**3,849**	**2,231**	**0**
Represented by:					
Ara Institute of Canterbury		828	832	828	0
Manukau Institute of Technology		0	623	0	0
Nelson Marlborough Institute of Technology		0	1,009	0	0
Waikato Institute of Technology		653	652	653	0
Work Based Learning Limited		0	0	0	0
Others		2,383	733	750	0
Total trust funds		**3,864**	**3,849**	**2,231**	**0**
Restricted reserves					
Opening balance		116,444	110,253	0	0
Balance acquired on amalgamation		20,709	11,961	89,036	0
Transfers from restricted reserves		48	33	11	0
Distributions from restricted reserves		(181)	(5,803)	(170)	0
Total restricted reserves		**137,020**	**116,444**	**88,877**	**0**
Represented by:					
Unencumbered cash reserves as described in Note 4		137,020	86,791	86,462	0
Hardship - NorthTec		0	73	50	0
Polytechnic equity - Open Polytechnic		0	2,245	2,245	0
Award funds - Southern Institute of Technology		0	0	120	0
South Westland Community Activities Trust - Tai Poutini Polytechnic		0	0	0	0
Earthquake Insurance reserves - ARA		0	27,335	0	0
Total restricted reserves		**137,020**	**116,444**	**88,877**	**0**
Total equity		**2,577,553**	**2,628,778**	**2,410,534**	**33,488**

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22. MAJOR BUDGET VARIATIONS

Explanations for major comprehensive revenue and expense budget variances from the 2022 Te Pūkenga budget are detailed in the below table. During the 2021 the Group was expanded with the addition of Te Pūkenga Work Based Learning Ltd (WBL). The financial results of WBL for 2022 are included in the actual column, however no budget for this operation was included in the 2022 Budget and this is reflected in the table below with the budget variance excluding the effect of the WBL actuals.

	Group				
	2022				
All in $000s	Group Actual	Actual WBL	Adjusted Actual	Budget	Variance
Statement of comprehensive revenue and expense					
Surplus/(deficit)	(80,352)	57,279	(137,631)	(68,774)	(68,857)
Revenue variances					
Government funding	795,241	168,694	626,547	765,595	(139,048)
Student fees and departmental revenue	367,006	88,076	278,930	234,573	44,357
Other revenue	114,492	15,529	98,963	116,402	(17,439)
Expenditure variances					
Employee benefit expenses	800,710	97,474	703,236	727,107	(23,871)
Depreciation and amortisation	125,293	5,287	120,005	115,685	4,320
Finance Costs	3,910	21	3,889	4,422	(533)
Administration and Other Expenses	426,401	112,238	314,163	338,130	(23,967)
Share of Associate / Joint Venture	(778)	0	(778)	0	(778)
Other comprehensive revenue and expense					
Other comprehensive revenue and expense	(23,793)	0	(23,793)	0	(23,793)
Total comprehensive revenue and expense	**(104,146)**	**57,279**	**(161,424)**	**(68,774)**	**(92,650)**

Explanations for major statement of financial position budget variances from the 2022 Te Pūkenga budget are detailed in the below table. During the 2021 the Group was expanded with the addition of Te Pūkenga Work Based Learning Ltd (WBL). The financial results of WBL for 2022 year are included in the actual column, however no budget for this operation was included in the 2022 Budget and this is reflected in the table below with the budget variance excluding the effect of the WBL actuals.

All in $000s	Group				
	2022				
	Group Actual	Actual WBL	Adjusted Actual	Budget	Variance
Statement of financial position					
Current assets	590,130	127,241	462,888	174,921	287,967
Non-current assets	2,472,101	43,865	2,428,236	2,365,241	62,995
Current liabilities	378,118	38,557	339,561	246,317	93,244
Non-current liabilities	106,560	16,056	90,504	95,782	(5,278)
Equity	2,577,553	116,493	2,461,060	2,198,063	262,997

Explanations for major statement of cash flows budget variances from the 2022 Te Pūkenga budget are detailed in the below table. During the 2021 the Group was expanded with the addition of Te Pūkenga Work Based Learning Ltd (WBL). The financial results of WBL for 2022 year are included in the actual column, however no budget for this operation was included in the 2022 Budget and this is reflected in the table below with the budget variance excluding the effect of the WBL actuals.

All in $000s	Group				
	2022				
	Group Actual	Actual WBL	Adjusted Actual	Budget	Variance
Statement of cash flows					
Cash flow from operating activities	137,585	31,374	106,211	55,425	50,786
Cash flow used in investing activities	(22,228)	(45,264)	23,036	(130,043)	153,079
Cash flows from financing activities	(9,219)	27,195	(36,414)	(3,978)	(32,436)
Net (decrease)/increase in cash and cash equivalents	106,138	13,305	92,833	(78,596)	171,429
Cash and cash equivalents at beginning of the year	207,370	48,340	159,030	0	159,030
Cash and cash equivalents from amalgamation	24,130	0	24,130	0	24,130
Total cash and cash equivalents at end of the year	**337,638**	**61,645**	**275,993**	**(78,596)**	**354,589**

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22. MAJOR BUDGET VARIATIONS (CONTINUED)

Explanation of major budget variations:
Key variances in revenue related primarily to the effects of the COVID-19 pandemic resulting in national border closures and resultant loss of revenue from International student fees and closure of campuses during the COVID-19 lockdowns. With campus closures operating expenditure was significantly less than budgeted due to prudent spending. Cash flows were improved over budget largely due to COVID-19 pandemic induced delays in capital projects and associated expenditure and this led to higher current assets than budgeted.

Explanations for major comprehensive revenue and expense budget variations from the 2022 Te Pūkenga budget are detailed below in this table:

	Parent		
All in $000s	**Actual 2022**	**Budget 2022**	**Variance**
Statement of comprehensive revenue and expense			
Surplus/(deficit)	(197,960)	(17,989)	(179,971)
Revenue variances			
Government funding	748,399	856,893	(108,494)
Student fees and departmental revenue	37,146	0	37,146
Other revenue	32,687	6,540	26,147
Expenditure variances			
Employee benefit expenses	215,232	24,798	190,434
Depreciation and amortisation	31,935	62	31,873
Interest expense	1,040	540	500
Administration and other expenses	768,013	856,022	(88,009)
Share of Associate / Joint Venture	28	0	28
Other comprehensive revenue and expense			
Other comprehensive revenue and expense	(2,390)	0	(2,390)
Total comprehensive revenue and expense	**(200,350)**	**(17,989)**	**(182,361)**

Explanations for major statement of financial position budget variations from the 2022 Te Pūkenga budget are detailed below in this table:

	Parent		
All in $000s	Actual 2022	Budget 2022	Variance
Statement of financial position			
Current assets	497,578	27,679	469,900
Non-current assets	2,393,183	751	2,392,430
Current liabilities	402,037	10,000	392,037
Non-current liabilities	78,189	0	78,189
Equity	2,410,534	18,430	2,392,104

Explanations for major statement of cash flows budget variations from the 2022 Te Pūkenga budget are detailed below in this table:

	Parent		
All in $000s	Actual 2022	Budget 2022	Variance
Statement of cash flows			
Cash flow from operating activities	(50,357)	(17,627)	(32,730)
Cash flow used in investing activities	124,616	(313)	124,929
Cash flows from financing activities	28,849	0	28,849
Net (decrease)/increase in cash and cash equivalents	103,108	(17,940)	121,048
Cash and cash equivalents at beginning of the year	65,086	39,315	25,771
Cash and cash equivalents from amalgamation	104,145	0	104,145
Total cash and cash equivalents at end of the year	**272,339**	**21,375**	**250,964**

Explanation of major budget variations:
The financial results from the post disestablishment from the subsidiaries are included in the actual column, however no budget for this was included in the 2022 Budget. This is due to Te Pūkenga subsidiaries disestablished during the year and amalgamated into Te Pūkenga.

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23. CAPITAL EXPENDITURE PROJECT PERFORMANCE TO BUDGET

		Group			Group		
All in $000s	Note	Actual 2022	Budget 2022	Variance 2022	Actual 2021	Budget 2021	Variance 2021
Annual allocations (renewals)							
Facilities annual replacements		15,574	32,402	(16,828)	31,699	31,836	(137)
Furniture annual allocation		3,870	5,814	(1,944)	1,730	2,376	(647)
Information technology allocation		21,030	30,759	(9,729)	23,873	30,500	(6,627)
Vehicle replacement		906	1,864	(958)	906	1,400	(494)
Library annual allocation		1,141	1,892	(751)	1,456	1,811	(355)
Academic departments		5,669	7,876	(2,207)	5,674	6,586	(912)
Other allocation		19,050	14,724	4,326	9,973	13,435	(3,462)
Total annual allocation		**67,240**	**95,331**	**(28,091)**	**75,309**	**87,944**	**(12,635)**
Major projects							
Southern Institute of Technology Limited - St John's Creative Art Centre		43	2,400	(2,358)	9,646	10,300	(654)
Otago - Trades Training Centre (81689) (Forth Street)		7,795	13,000	(5,205)	7,795	13,000	(5,205)
Unitec - Building 108 Roof replacement and refurbishment		16,655	23,481	(6,826)	17,490	22,220	(4,730)
Other projects		5,657	24,170	(18,514)	10,106	22,980	(12,874)
Total major projects		**30,149**	**63,051**	**(32,902)**	**45,037**	**68,500**	**(23,463)**
Total capital expenditure		**97,389**	**158,382**	**(60,993)**	**120,346**	**156,444**	**(36,098)**

Explanation of major budget variations:

The underspend on annual capital allocations across the Group was largely due to reduced spend in most areas due to reprioritisation in response to the Te Pūkenga merger.

24. OPERATING LEASES

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

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Leases as lessee					
Non-cancellable operating lease rentals are payable as follows:					
Not later than one year		31,127	26,611	19,043	0
Later than one year and not later than five years		66,766	62,950	48,755	0
Later than five years		137,136	139,073	143,132	0
Total leases as lessee		**235,029**	**228,634**	**210,930**	**0**

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Leases as lessor					
Te Pūkenga leases its property purchased for strategic purpose pending future use by Te Pūkenga under operating leases.					
The future minimum lease payments under non-cancellable leases are as follows:					
Not later than one year		3,012	3,344	2,746	0
Later than one year and not later than five years		4,312	4,080	4,231	0
Later than five years		656	823	656	0
Total leases as lessor		**7,981**	**8,247**	**7,633**	**0**

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

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25. COMMITMENTS AND CONTINGENCIES

Te Pūkenga has the following commitments at balance date:

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Capital commitments					
Capital commitments denote approved capital expenditure contracted for at year-end not yet incurred.					
Approved and committed					
Buildings		18,106	39,219	15,229	0
Other plant, property and equipment		1,246	1,359	1,246	0
Intangible assets		113	474	113	0
Total capital commitments		**19,465**	**41,052**	**16,588**	**0**

Te Pūkenga has the following contingent liabilities at balance date:

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Contingent liabilities					
UCOL - compassionate grants outstanding as at 31/12/22		45	21	45	0
MIT - underlying lease MITM not yet signed		0	12,000	0	0
Otago Polytechnic - enforceable undertaking		0	3,398	2,710	0
Otago Polytechnic - Trades Training Building (Shovel Ready Project)		7,524	0	0	0
Total contingent liabilities		**7,569**	**15,419**	**2,755**	**0**

MIT has entered into a contract to lease the TechPark building to be constructed by Haydn & Rollett, for a period of 30 years with two rights of renewal for 10 years each. The value of the operating lease commitment is $2.4m per year. The finance lease is disclosed in Note 18. As lessee there are responsibilities to minimise impact to the lessors premises at the time of exit. Previously MIT had specific make good clauses in the Maritime lease agreements. Most of these were negotiated out during 2020 renegotiations. MIT's requirements now are to ensure they remediate any damage caused by the removal of MIT owned property and to leave the premises clean and tidy. MIT intends to utilise MIT staff to manage the exit of the Maritime premises and will only outsource tasks that required specialised skills. On this basis MIT do not anticipate these costs being material and accordingly no commitment has been recognised for make good. MIT have entered into a lease agreement for TechPark. The agreement commenced on 1 September 2020 and will run for 50 years. As at 31 December 2022, the net present value of any make good provision is considered to be immaterial and accordingly no make good provision has been recognised.

Otago Polytechnic Limited is joint and several guarantor for property leases relating to the OPAIC's Auckland Campus. There is a significant uncertainty as to whether OPAIC will continue to be able to meet the lease payments, because of its high dependence on international enrolments, thereby resulting in Otago Polytechnic Limited having to honour the lease contract payments. The remaining lease payments, at 31 December 2022 were $4.38m (2021 $5.4 million) noting that Future Skills has provided a bond of $850,000 in favour of the Otago Polytechnic Limited (expired on 10th April 2022). The monthly lease commitment is $96,809 and the expiry date is 1 September 2026. Otago Polytechnic Limited has the right to sub-lease. Otago Polytechnic Limited’s exposure to this cannot be quantified due to the uncertainty from the impact of the COVID-19 pandemic, on the rental property market in central Auckland. Otago Polytechnic Limited assess that it is less than probable that any contribution will need to be paid as Otago Polytechnic Limited has the right to sub-lease the building.

Te Pūkenga and Future Skills Academy (50% owner of the associate OPAIC) were in discussions for Te Pūkenga to purchase the Future Skills Academy share of OPAIC. As this discussion has not reached a mutual conclusion there is uncertainty around the value of the purchase and the future ownership of OPAIC.

Otago Polytechnic Limited had contingency of $7.5m for the major building project (Trades Training Facility).

Otago Polytechnic Limited contracted an external payroll consultant to review the payroll system and processes and compliance with the Holiday Act 2003. This review highlighted some areas where Otago Polytechnic Limited is not compliant with the Holidays Act 2003. Otago Polytechnic Limited is still working on system retification changes but has not yet carried out remediation calculations so the exposure to this cannot yet be quantified.

The Otago Polytechnic Limited and group is a participating employer in two Defined Benefit Plan Contributors Schemes (the schemes), which are multi-employer defined benefit schemes. If the other participating employers ceased to participate in the scheme the Otago Polytechnic Limited and group could be responsible for any deficit of the schemes. Similarly, if a number of employers ceased to participate in the schemes the Otago Polytechnic Limited and group could be responsible for an increased share of the deficit.

Wintec entered into an operation and maintenance agreement with the Colleges of Excellence in the Kingdom of Saudi Arabia on 8 April 2014. Under this agreement Wintec was required to provide a performance bond which was done under a counter agreement between Bank of New Zealand and Banque Saudi Fransi. In 2019 Wintec has ceased this operation and is in the process of winding up the companies. The amount of this bond at 31 December 2020 was $2.0m. On 3 December 2021 the bond was cancelled. The Institute and Group have no other contingent liabilities.

26. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

ACCOUNTING POLICY
Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that are reasonable to expect that Te Pūkenga would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with Government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements with TEIs and undertaken on the normal terms and conditions for such transactions.

		Group		Parent	
All in $000s	Note	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Key management personnel related party transactions					
Key management personnel compensation					
Board members					
Full-time equivalent members		114	117	12	12
Remuneration		2,695	3,016	676	536
Directors and Chief Executive					
Full-time equilvalent members		136	132	129	11
Remuneration		31,758	27,832	7,526	3,475
Total full-time equivalent members		250	249	141	23
Total key management personnel remuneration		**34,453**	**30,848**	**8,202**	**4,011**

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27. RELATED PARTY DEPOSITS/LOANS PAYABLES/RECEIVABLES

On 1 April 2021 Te Pūkenga established a Group Treasury Policy providing the framework and scope within which treasury related risks are governed by Te Pūkenga ("Parent") and its wholly owned Subsidiaries ("Group"). The Parent finance function manages its own treasury activities along with the Group liquidity and debt management requirements which includes the intra-group funding arrangement. The Subsidiaries/Business Divisions are responsible for their own treasury activities including day-to day cash management, working capital, treasury investment and risk management. Te Pūkenga is the borrowing entity of the Group with the ability to borrow both externally and hold intra-group borrowing and lending activity managed by the Parent.

As at 31 December 2022 the intra loan portfolio (eliminated on consolidation) was $0 (2021 $60,400,000) and the intra deposits held were $42,000,000 (2021 $67,600,000), giving a net balance of $42,000,000 (2021 $7,200,000).

Interest received during the year on the intra loan portfolio totaled $3,525,087 (2021 $309,74) and interest rates on intra loans held during the 2022 financial year ranged from 1.94% to 5.91%. Loans are repayable on demand.

Interest paid during the year on the intra deposit portfolio totaled $3,109,898 (2021 $333,426). The interest rate for intra term deposits held during the 2022 financial year ranged from 0.76% to 5.402%. Term deposits are payable on maturity date.

Te Pūkenga held a borrowing facility of $125m with Westpac Banking Corporation (Westpac), during the 2022 financial year which matured 31 December 2022. A new borrowing facility was entered into for $45m for the period 1 January 2023 – 31 December 2023. As at 31 December 2022 there has been no drawdown on the Westpac facility. Westpac covenants were breached during the 2021 and 2022 reporting periods, a waiver has been granted by Westpac. The December 2021 reporting date breach was due to the ratio of the EBITDA of the Guaranteeing Group to the EBITDA of the Consolidated Group not meeting the 90% threshold. The June 2022 reporting date breaches were due to the ratio of the EBITDA of the Guaranteeing Group to the EBITDA of the Consolidated Group not meeting the 90% threshold and the Guaranteeing Group not meeting the 2.5 times interest cover ratio. Westpac offered a waiver on the December 2021 and June 2022 breaches contingent on Work Based Learning (WBL) joining the Guaranteeing Group by 31 December 2022. Te Pūkenga has met this contingency, WBL became part of the Guaranteeing Group before the 31 December 2022 deadline.

	Group		Parent	
All in $000s	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Intra Group Term Deposit Payables				
Manukau Institute of Technology Limited	0	0	0	17,000
Nelson Marlborough Institute of Technology Limited	0	0	0	5,500
Open Polytechnic of New Zealand Limited	0	0	0	18,100
Toi Ohomai Institute of Technology Limited	0	0	0	15,000
Unitec New Zealand Limited	0	0	0	9,000
Wellington Institute of Technology Limited	0	0	0	3,000
Work Based Learning	0	0	42,000	0
Total	**0**	**0**	**42,000**	**67,600**

	Group		Parent	
All in $000s	Actual 2022	Actual 2021	Actual 2022	Actual 2021
Intra group Party Loan Receivables				
Northland Polytechnic Limited	0	0	0	1,000
Otago Polytechnic Limited	0	0	0	7,000
Tai Poutini Polytechnic Limited	0	0	0	4,000
Waikato Institute of Technology Limited	0	0	0	29,200
Western Institute of Technology at Taranaki Limited	0	0	0	1,200
Whitireia Community Polytechnic Limited	0	0	0	18,000
Total	**0**	**0**	**0**	**60,400**

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28. BUSINESS COMBINATION

During the 2022 financial year, all Institutes of Technology and Polytechnics (ITPs) subsidiaries amalgamated into Te Pūkenga as per the dates outlined in the table below. The amalgamation (including the operations, assets and liabilities in their entirety) of all subsidiaries into Te Pūkenga is prescribed in the Education (Vocational Education and Training Reform) Amendment Act 2020.

ITP Name	Disestablishment date	Amalgamation date
Toi Ohomai and Wintec	31 May 2022	1 June 2022
Whitireia and WelTec	31 August 2022	1 September 2022
NMIT, MIT, Unitec, TPP, NorthTec	30 September 2022	1 October 2022
Otago, SIT, Ara, Open, UCOL, WITT, EIT	31 October 2022	1 November 2022

Te Pūkenga has applied PBE IPSAS 40 PBE Combinations to account for the vesting of the assets and liabilities. The carrying amount of assets, liabilities and equity reserves included in each of the previous subsidiary's final disestablishment reports (as listed above) were carried forward to become the opening balances within Te Pūkenga on amalgamation date. No accounting policy adjustments were made to the amount reported as at disestablishment date for each of the previous subsidiaries, as those were prepared using the same accounting policies as that of the Group. There are adjustments reflected below to eliminate transactions which upon amalgamation are now internal transactions.

This below table shows the consolidated changes in equity resulting from the amalgamation from the individual subsidiaries to Te Pūkenga from 1 June 2022 to 1 November 2022.

All in $000s	Parent				
31 May 2022	**Te Pūkenga**	**Waikato Institute of Technology (WIN)**	**Toi Ohomai Institute of Technology (TOI)**	**Elimination Adjustments**	**Amalgamated Balance**
Cash & Cash Equivalents	21,021	751	4,284	0	26,056
Other Financial Assets	10,500	3,050	20,672	(25,200)	9,022
Student Fees and Other Receivables	14,124	11,536	12,229	(863)	37,026
Prepayments	14,025	1,610	1,723	0	17,358
Inventory	0	307	0	0	307
Property Plant & Equipment	430	185,995	267,383	0	453,808
Intangible Assets	0	8,771	1,367	0	10,138
Trade & Other Payables	(31,847)	(3,874)	(3,063)	863	(37,921)
Employee Entitlements	(852)	(4,880)	(3,153)	0	(8,885)
Borrowings	0	(25,460)	0	25,200	(260)
Revenues in Advance	6,542	(15,788)	(13,545)	0	(22,791)
Total net assets (liabilities)	**33,943**	**162,018**	**287,897**	**0**	**483,858**
General Funds	(33,943)	(105,987)	(106,942)	0	(246,872)
Revaluation Reserves	0	(55,378)	(180,955)	0	(236,333)
Trust and Bequests	0	(653)	0	0	(653)
Total Equity (Gain on acquisition)	**(33,943)**	**(162,018)**	**(287,897)**	**0**	**(483,858)**

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for the year ended 31 December 2022

28. BUSINESS COMBINATION (CONTINUED)

All in $000s	Parent				
31 August 2022	Te Pūkenga	Wellington Institute of Technology (WLT)	Whitireia New Zealand (WHT)	Elimination Adjustments	Amalgamated Balance
Assets Held for Sale	35,692	4,120	3,228	0	43,040
Other Financial Assets	29,309	0	0	(19,000)	10,309
Student Fees and Other Receivables	(835)	14,914	2,305	(247)	16,137
Prepayments	13,379	318	344	0	14,041
Inventory	307	92	96	0	495
Assets Held for Sale	0	9,143	0	0	9,143
Property Plant & Equipment	451,586	81,379	96,081	0	629,046
Intangible Assets	9,186	6,680	140	0	16,006
Trade & Other Payables	(11,488)	(1,853)	(2,170)	247	(15,264)
Employee Entitlements	(11,972)	(4,270)	(14,476)	0	(30,718)
Borrowings	(238)	0	(19,000)	19,000	(238)
Revenues in Advance	(35,616)	(1,264)	(2,757)	0	(39,637)
Total net assets (liabilities)	**479,309**	**109,259**	**63,791**	**0**	**652,359**
General Funds	(242,323)	(50,370)	(20,579)	0	(313,272)
Revaluation Reserves	(236,333)	(58,889)	(43,212)	0	(338,434)
Trust and Bequests	(653)	0	0	0	(653)
Restricted Reserves	0	0	0	0	0
Total Equity (Gain on acquisition)	**(479,309)**	**(109,259)**	**(63,791)**	**0**	**(652,359)**

All in $000s	Parent							
30 September 2022	Te Pūkenga	Manukau Institute of Technology (MIT)	Nelson Marlborough Institute of Technology (NMT)	Northtec (NTC)	Tai Poutini Polytechnic (TPP)	Unitec Institute of Technology (UNI)	Elimination Adjustments	Amalgamated Balance
Cash & Cash Equivalents	61,977	35,099	937	2,631	1,423	45,651	0	147,718
Other Financial Assets	7,077	0	18,102	0	0	30,000	(10,415)	44,764
Student Fees and Other Receivables	1,048	12,999	5,152	134	271	13,633	(1,375)	31,863
Prepayments	13,511	1,620	740	246	154	1,148	0	17,419
Inventory	398	139	0	20	0	414	0	972
Assets Held for Sale	9,143	0	0	0	0	0	0	9,143
Property Plant & Equipment	627,550	245,497	102,880	59,696	17,816	280,385	0	1,333,824
Intangible Assets	15,818	2,561	531	37	0	250	0	19,197
Trade & Other Payables	(34,737)	(17,857)	(2,298)	(6,575)	(707)	(6,915)	1,375	(67,714)
Employee Entitlements	(20,053)	(8,542)	(2,406)	(1,531)	(780)	(8,983)	0	(42,295)
Borrowings	(238)	0	0	(1,313)	(7,045)	(21,348)	10,415	(19,529)
Revenues in Advance	(40,728)	(4,049)	(2,022)	(2,923)	(878)	(9,413)	0	(60,013)
Other Liabilities	0	(11,908)	(2,009)	0	41	(296)	0	(14,172)
Total net assets (liabilities)	**640,767**	**255,559**	**119,607**	**50,423**	**10,294**	**324,526**	0	1,401,176
General Funds	(301,680)	(146,419)	(37,538)	(3,976)	(1,967)	(189,319)	0	(680,899)
Revaluation Reserves	(338,434)	(109,140)	(70,367)	(46,385)	(8,039)	(135,207)	0	(707,572)
Trust and Bequests	(653)	0	0	0	(288)	0	0	(941)
Restricted Reserves	0	0	(11,702)	(62)	0	0	0	(11,764)
Total Equity (Gain on acquisition)	**(640,767)**	**(255,559)**	**(119,607)**	**(50,423)**	**(10,294)**	**(324,526)**	**0**	**(1,401,176)**

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28. BUSINESS COMBINATION (CONTINUED)

All in $000s	Parent									
31 October 2022	Te Pūkenga	Ara Institute of Canterbury Technology (ARA)	Eastern Institute of Technology (EIT)	Open Polytechnic (OPN)	Otago Polytechnic (OTG)	Southern Institute of Technology (SIT)	Universal College of Learning (UCL)	Western Institute of Technology at Taranaki (WIT)	Elimination Adjustments	Amalgamated Balance
Cash & Cash Equivalents	86,745	25,276	3,838	8,876	11,784	8,289	9,555	2,108	0	156,471
Other Financial Assets	128,225	59,300	25,676	21,081	120	20,099	0	0	(4,441)	250,060
Student Fees and Other Receivables	10,299	11,324	7,576	23,515	8,587	7,564	8,359	4,378	(3,080)	78,523
Prepayments	16,722	1,745	897	0	1,278	1,204	285	360	0	22,491
Inventory	978	1,158	489	266	892	1,146	788	179	0	5,897
Assets Held for Sale	9,138	0	0	0	0	2,982	0	0	0	12,120
Property Plant & Equipment	1,323,970	322,260	159,217	53,463	185,893	130,478	115,818	36,771	0	2,327,870
Intangible Assets	18,896	420	2,869	36,153	2,654	1,581	2,199	458	0	65,230
Trade & Other Payables	(74,622)	(4,711)	(5,956)	(12,441)	(11,074)	(7,931)	(8,938)	(3,016)	3,080	(125,609)
Employee Entitlements	(43,584)	(8,125)	(4,916)	0	(6,018)	(2,976)	(4,727)	(2,084)	0	(72,429)
Borrowings	(19,529)	0	0	0	(8,497)	0	(3,557)	(4,431)	4,441	(31,573)
Revenues in Advance	(70,452)	(8,273)	(5,466)	(6,350)	(5,551)	0	(4,753)	(5,367)	0	(106,212)
Other Liabilities	(13,942)	(25,950)	(187)	0	0	0	(914)	0	0	(40,993)
Total net assets (liabilities)	**1,372,844**	**374,425**	**184,037**	**124,563**	**180,068**	**162,436**	**114,115**	**29,357**	**0**	**2,541,844**
General Funds	(652,567)	(191,132)	(73,557)	(73,877)	(110,991)	(107,967)	(86,522)	(8,617)	0	(1,305,229)
Revaluation Reserves	(707,572)	(125,459)	(95,807)	(45,205)	(68,772)	(54,349)	(27,593)	(20,606)	0	(1,145,363)
Trust and Bequests	(941)	(836)	0	0	(305)	0	0	(134)	0	(2,216)
Restricted Reserves	(11,764)	(56,998)	(14,673)	(5,481)	0	(120)	0	0	0	(89,036)
Total Equity (Gain on acquisition)	(1,372,844)	(374,425)	(184,037)	(124,563)	(180,068)	(162,436)	(114,115)	(29,357)	0	(2,541,844)
Total Equity (Gain on acquisition)	**(1,372,844)**	**(374,425)**	**(184,037)**	**(124,563)**	**(180,068)**	**(162,436)**	**(114,115)**	**(29,357)**	**(0)**	**(2,541,844)**

Group Assets and Liabilities Amalgamated

The disclosure below does not fully comply with PBE IPSAS 40 – Business Combinations disclosure requirements because Work Based Learning (WBL) balances instead of Te Pūkenga group account opening and restated balances are reflected as a combining group entity. This is not regarded as a major disclosure deficiency because Work Based Learning Limited is the only subsidiary in the Te Pūkenga group accounts with entities that combined in the group accounts.

The Education and Training Act 2020 enacted the Reform of Vocational Education announced by the Minister of Education in 2019. The reform required all Transitional Industry Training Organisations (TITOs) to transfer their statutory duties assigned under the repealed Industry Training and Apprenticeship Act 1992 to Workforce Development Councils and other tertiary education providers by 31 December 2022.

Transfer agreements were negotiated between WBL and six TITOs for the transfer of staff, assets and liabilities associated with arranging training and support function in 2022, and approved by the Tertiary Education Commission, as required by the Act. During the year, Competenz Trust wound-up and transferred the balance of their reserves to the Competenz division of WBL in the form of managed investments and cash, this settles the receivable recognised for Competenz 2021 amalgamation.

Fixed assets were amalgamated at deemed cost, being the cost less depreciation or amortisation and impairment at point of transfer. Cash, amounting to $24,131,000 was transferred during the year, including ring-fenced funds which are set aside for specific investment for the benefit of the industries formerly served by the respective TITOs. We have also established a restricted reserve within equity to account for these ring-fenced funds. Use of these funds is restricted under the terms of the respective transfer agreements, and access to this money requires a specific authorisation process to be followed.

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28. BUSINESS COMBINATION (CONTINUED)

	Group				
All in $000s	Opening WBL (Jan 2022)	MITO 1 Jan 22	Elimination Adjustments	Accounting Policy Adjustments	Restated Opening Balance
Current Assets					
Cash and Cash Equivalents	48,340	0	0	0	48,340
Investments	2,337	0	0	0	2,337
Trade and Other Receivables	11,961	247	0	0	12,208
Prepayments	1,415	271	0	0	1,686
Inventory	427	0	0	0	427
Total	**64,480**	**517**	**0**	**0**	**64,998**
Non-Current Assets					
Property, Plant and Equipment	3,291	987	0	0	4,278
Intangible Assets	6,413	1,468	0	0	7,881
Total	**9,704**	**2,455**	**0**	**0**	**12,159**
Current Liabilities					
Trade & Other Payables	20,341	463	0	0	20,804
Government Grants Payable	0	0	0	0	0
Goods and Services Tax Payable	0	0	0	0	0
Income Received in Advance	9,939	202	0	0	10,141
Employee Entitlements & Accruals	3,455	599	0	0	4,054
Provisions for Onerous Lease / Make Good	180	0	0	0	180
Total	**33,915**	**1,264**	**0**	**0**	**35,179**
Net Assets	**40,269**	**1,709**	**0**	**0**	**41,978**
General Equity	**21,057**	**240**	**0**	**0**	**21,297**
Restricted Funds	**19,212**	**1,469**	**0**	**0**	**20,681**

All in $000s	Group				
	Opening WBL (Jul 2022)	ServiceIQ 1-Jul-22	Elimination Adjustments	Accounting Policy Adjustments	Restated Opening Balance
Current Assets					
Cash and Cash Equivalents	60,119	3,707	0	0	63,826
Trade and Other Receivables	20,779	233	0	0	21,012
Prepayments	1,503	184	0	0	1,687
Inventory	549	13	0	0	562
Other	5	194	0	0	199
Total	**82,955**	**4,331**	**0**	**0**	**87,286**
Non-Current Assets					
Property, Plant and Equipment	6,929	266	0	0	7,196
Intangible Assets	5,674	107	0	0	5,782
Total	**12,604**	**374**	**0**	**0**	**12,977**
Current Liabilities					
Trade & Other Payables	8,893	184	0	0	9,077
Goods and Services Tax Payable	(377)	0	0	0	(377)
Income Received in Advance	2,475	32	0	0	2,507
Employee Entitlements & Accruals	4,109	545	0	0	4,654
Provisions for Onerous Lease / Make Good	338	159	0	0	497
Other	7,840	2200	0	0	7,8600
Total	**23,277**	**942**	**0**	**0**	**24,220**
Net Assets	**72,281**	**3,762**	**0**	**0**	**76,043**
General Equity	**51,600**	**1,446**	**0**	**0**	**53,046**
Restricted Funds	**20,681**	**2,317**	**0**	**0**	**22,997**

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28. BUSINESS COMBINATION (CONTINUED)

	Group					
All in $000s	Opening WBL (Sep 2022)	Careerforce 1 Sep 22	HITO 18 Sep 22	Elimination Adjustments	Accounting Policy Adjustments	Restated Opening Balance
Current Assets						
Cash and Cash Equivalents	70,736	5,360	3,059	0	0	79,154
Trade and Other Receivables	26,572	0	0	0	0	26,572
Prepayments	2,081	0	59	0	0	2,140
Inventory	654	0	0	0	0	654
Other	104	0	0	0	0	104
Total	**100,146**	**5,360**	**3,118**	**0**	**0**	**108,624**
Non-Current Assets						
Property, Plant and Equipment	7,565	1,064	0	0	0	8,629
Intangible Assets	5,526	0	0	0	0	5,526
Total	**13,090**	**1,064**	**0**	**0**	**0**	**14,155**
Current Liabilities						
Trade & Other Payables	9,661	0	25	0	0	9,686
Goods and Services Tax Payable	1,548	0	0	0	0	1,548
Income Received in Advance	1,052	4,610	55	0	0	5,717
Employee Entitlements & Accruals	5,799	0	131	0	0	5,931
Provisions for Onerous Lease / Make Good	2,522	0	0	0	0	2,522
Other	8,1370	0	0	0	0	8,137 0
Bank loan	198	0	0	0	0	198
Total	**28,917**	**4,610**	**212**	**0**	**0**	**33,739**
Net Assets	**84,319**	**1,814**	**2,906**	**0**	**0**	**89,040**
General Equity	**61,322**	**1,064**	**0**	**0**	**0**	**62,386**
Restricted Funds	**22,997**	**750**	**2,946**	**0**	**0**	**26,693**

	Group					
All in $000s	Opening WBL (Oct 2022)	PrimaryITO 1 Oct 22	EarnLearn 1 Oct 22	Elimination Adjustments	Accounting Policy Adjustments	Restated Opening Balance
Current Assets						
Cash and Cash Equivalents	71,526	12,005	0	0	0	83,530
Trade and Other Receivables	34,097	2,100	0	0	0	36,198
Prepayments	1,907	0	0	0	0	1,907
Inventory	560	32	0	0	0	592
Other	111	0	0	0	0	111
Total	**108,201**	**14,137**	**0**	**0**	**0**	**122,338**
Non-Current Assets						
Property, Plant and Equipment	8,891	765	547	0	0	10,204
Intangible Assets	5,441	3,952	926	0	0	10,319
Total	**14,332**	**4,717**	**1,473**	**0**	**0**	**20,522**
Current Liabilities						
Trade & Other Payables	10,581	3,185	1,016	0	0	14,782
Goods and Services Tax Payable	699	267	0	0	0	966
Income Received in Advance	0	1,947	0	0	0	1,947
Employee Entitlements & Accruals	7,203	2,018	457	0	0	9,678
Provisions for Onerous Lease / Make Good	2,523	0	0	0	0	2,523
Other	7,845	0	0	0	0	7,845
Bank loan	198	0	0	0	0	198
Total	**29,049**	**7,417**	**1,473**	**0**	**0**	**37,939**
Net Assets	**93,485**	**11,437**	**0**	**0**	**0**	**104,922**
General Equity	**66,792**	**5,486**	**0**	**0**	**0**	**72,278**
Restricted Funds	**26,693**	**5,951**	**0**	**0**	**0**	**32,644**

EarnLearn is the trading name used to denote the arranging training and support activities amalgamated from The Skills Organisation.

Notes to the Financial Statements

for the year ended 31 December 2022

2021 Comparative

The Education and Training Act 2020, enacted the Reform of Vocational Education announced by the Minister of Education in 2019. The reform required all Transitional Industry Training Organisations (TITOs) to transfer their statutory duties assigned under the repealed Industry Training and Apprenticeship Act 1992 to Workforce Development Councils and other tertiary education providers by 31 December 2022.

Transfer agreements were negotiated between WBL and three TITOs (Competenz, Connexis and BCITO) for the transfer of staff, assets and liabilities associated with arranging training and support function in 2021, and approved by the Tertiary Education Commission, as required by the Act. Competenz amalgamated with WBL on 2 August 2021, followed by Connexis on 1 September 2021 and BCITO on 4 October 2021.

WBL opening balances before amalgamation were all nil and there were no elimination adjustments required on amalgamation.

All in $000s	Group					
	Competenz 2 Aug 21*	**Connexis 1 Sep 21**	**BCITO 4 Oct 21**	**Elimination Adjustments**	**Accounting Policy Adjustments**	**Total**
Current Assets						
Cash and Cash Equivalents	4,231	3,891	13,590	0	0	21,713
Trade and Other Receivables*	12,727	0	0	0	0	12,727
Prepayments	641	0	9.5	0	0	1,546
Inventory	0	0	200	0	0	200
Total	**17,599**	**3,891**	**14,695**	**0**	**0**	**36,186**
Non-Current Assets						
Property, Plant and Equipment	2,277	65	1,004	0	0	3,346
Intangible Assets	2,677	0	3,823	0	0	6,500
Total	**4,954**	**65**	**4,827**	**0**	**0**	**9,846**
Current Liabilities						
Trade & Other Payables	3,467	0	0	0	0	3,465
Income Received in Advance	2,986	2,430	7,467	0	0	12,884
Employee Entitlements & Accruals	1,065	333	1,971	0	0	3,370
Lease Incentive	184	0	0	0	0	182
Provisions for Onerous Lease / Make Good	142	0	0	0	0	142
Other	0	**0**	100	0	0	110
Total	**7,843**	**2,763**	**9,548**	**0**	**0**	**20,155**
Net Assets	**14,710**	**1,193**	**9,974**	**0**	**0**	**25,877**
Made up of						
Restricted Funds*	11,961	1,128	6,123	0	0	19,212
General Equity	2,749	65	3,851	0	0	6,665

*Refer to note 29 - restatement note due to adjustment of values from prior year published accounts.

* * The restricted reserves for Connexis ($1.128m) and BCITO ($6.123m) were reflected as liabilities in the 2021 and transferred to restricted reserves in 2022 consolidated group accounts.*

Notes to the Financial Statements

for the year ended 31 December 2022

29. RESTATEMENT OF COMPARATIVE

Measurement period adjustment

Competenz Trust (Trust) was amalgamated into WBL during the 31 December 2021 financial year. As part of the transfer agreement certain assets and liabilities were transferred to WBL in August 2021 and a decision was made to distribute any remaining reserves of the Trust to WBL upon final windup of the Trust.

As per PBE IPSAS 40, the measurement period for accounting for amalgamations can take up to 12 months to ensure all required information is available. The 31 December 2021 financial statements of WBL reflected provisional accounting for the Trust based on the best information available at the time. This provision accounting did not include the right to receive the remaining reserves as there was insufficient information available to reliably calculate this amount, as the liquidation process for the Trust was still in progress. The subsequent right to receive these funds was instead disclosed in Note 29 of those financial statements.

During the 31 December 2022 financial year additional information has been obtained to enable the recognition of this receivable as part of the amalgamation accounting. The winding up of the trust was completed on 31st October 2022 and at this time, investments and cash to the value of $11.961 million were received by WBL. These funds have stipulations which require the funds to be used for expenditure on projects that benefit the industry sectors previously covered by the trust.

In accordance with PBE IPSAS 40.43, the amalgamation balances for the comparative year have been retrospectively revised via a measurement period adjustment to the initial amalgamation accounting, as if the accounting for the amalgamation had been completed at the amalgamation date. This has resulted in adjustments to the comparative balances for amalgamation receivable, included within trade and other receivables, and restricted reserves

The following table summarises the impact of the measurement period adjustment on the comparative financial statements.

	Group		
All in $000s	Actual December 2021 as reported	Adjustment	Actual December 2021 as restated
Statement of financial Position			
Student fees and other receiveables	141,745	11,961	153,706
Total Current Assets	**564,603**	**11,961**	**576,564**
Total Assets	**3,060,348**	**11,961**	**3,072,309**
Net Assets	**2,616,817**	**11,961**	**2,628,778**
Restricted Reserves (acquired on amalgamation)	104,483	11,961	116,444
Total Equity	**2,616,817**	**11,961**	**2,628,778**

	Group		
All in $000s	Actual as reported for the period ending 31 December 2021	Adjustment	Actual as restated for the period ending 31 December 2021
Statement of changes in equity			
Gain on Amalgamation	5,320	11,961	17,281
Total Comprehensive revenue and expense	335,600	11,961	347,561
Total Equity at 31 December 2021	**2,616,817**	**11,961**	**2,628,778**
Componets of equity which have been restated Restricted Reserve (Note 21)	104,483	11,961	116,444

We note that the comparative figures in Note 21 – Restricted Reserves and Note 5 - Student fees and other recievables have been restated to reflect the adjustment above, and the comparatives presented are the restated amounts.

30. CHILDCARE SUMMARY

	Group
All in $000s	
1 January to 31 December 2022 – 12 months	
Revenue	
Operating Grants – Ministry of Education (MOE)	5,155
Equity Funding	43
Fees – Staff, Students and Public	1,393
Family Assistance (WINZ)	476
Other	10
Total Revenue	**7,077**
Expenses	
Personnel	6,556
Other	615
Total Expenses	**7,171**
Net Surplus	**94**
Statistics	
MOE hours funded for under 2's	116,577
MOE hours funded for over 2's	118,503
MOE 20 hours ECE	217,689
MOE plus 10 hours ECE	55,110

The above accounts for the full 12 month reporting period 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 Te Pūkenga's main accounts.

Notes to the Financial Statements

for the year ended 31 December 2022

31. COMPULSORY STUDENT SERVICES FEE

	Group	
All in $000s		
	Revenue	Expenses
Revenue		
Compulsory Student Levy Revenue	15,286	5,155
Expenditure		
Advocacy and advice	0	1,964
Career advice and guidance	0	3,231
Employment information	0	467
Couselling and pastoral care	0	5,060
Financial support and advice	0	903
Health Services	0	2,784
Media	0	184
Sports, Recreation and Culture activities	0	1,802
Careers information, advice & guidance	0	2,363
Childcare Services	0	775
Clubs and Societies	0	77
Other (Please specify and overwrite with details)	0	0
Total	**15,286**	**19,609**
Net Surplus		**(4,324)**

The Compulsory Student Services Fees (CSSF) varies from $104 to $656 per full-time equivalent student and it varies depending on the individual student's circumstances, location, and duration of each course. The fee is used to fund key services that assist student success, retention and overall wellbeing.

Advocacy and Advice
The Institute provides students with independent and confidential support, advice and advocacy services. This includes assistance for general information and translation of Institute rules and policies, disciplinary action, harassment, complaints, employment and tenant rights, and grade appeals. All Institute related issues are resolved or the student is guided and supported through any escalation process.

Careers Advice and Guidance and Employment Information
The Institute offers career counselling, employability development, volunteer experience and job search support to current students. Te Pūkenga's career and employability facilitators provide advice and support students to make informed decisions about their career path and study programme, internship opportunities, volunteering and provide opportunities to improve their employability skills.

Counselling and Pastoral Care
The Institute has a range of pastoral care, health and wellness provision and counselling services to facilitate our diverse students' integration into tertiary life and provide on-going personal, spiritual, psychological and emotional support. The Institute offers specialised services to students with an impairment or disability, or who fall into a diverse demographic. The Institute also operates a comprehensive orientation and transition programme, and has an early intervention philosophy to promote the success and retention of our students.

Financial Support and Advice
The Institute offers students information and advice to help manage their money, including assistance with Studylink issues, budgeting advice, and banking. In addition, the Institute provides Justice of the Peace services, and financial assistance for students experiencing financial hardship through our internal Student Hardship Fund.

Health Services
The health centres on Campus offer integrated general practice medical, nursing, and wellbeing services to support students' overall health and wellbeing. Health and wellness services including doctors' appointments and nurse appointments are free for domestic students.

Media
Te Pūkenga supports the production and dissemination of information to students via Mailchimp (email communication), social media, electronic student handbooks, printed posters and flyers.

Sports, Recreation and Cultural Services
Te Pūkenga delivers a range of recreational and competitive sport events and activities. Some campuses have a fitness centre offering quality fitness equipment, group classes and personalised exercise programmes, and access to sport and exercise services. The Institute also offers a wide range of cultural events and diversity-related activities to promote diversity and inclusion on campus, as well as to support student engagement. This also includes orientation events and competitions.

Childcare Services
The Institute offers Early Learning Centres on some of the campus sites to students.

Clubs and Societies
Te Pūkenga has an advisor whose role is to support the development and sustainability of learner's groups, clubs, and societies. The groups vary from recreational, interest and identity to political and spiritual. They alter from year to year based on the direction and energy that learners choose to give them.

32. CONSOLIDATION

ACCOUNTING POLICY

The Group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the Group on a line-by-line basis. All intra-group balances, transactions, revenue, and expenses are eliminated on consolidation. The Group financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date Te Pūkenga obtains control of the entity and ceases when Te Pūkenga loses control of the entity.

33. COVID-19

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic, and two weeks later the New Zealand Government declared a State of National Emergency.

From this time, the country was in lockdown at Alert Level 4 for the period 26 March to 27 April 2020 and then remained in lockdown at Alert Level 3 until 13 May 2020. In 2021, various regions in New Zealand have been subject to lockdown restrictions at various levels. During these periods, Te Pūkenga has periodically closed some or all delivery sites to comply with COVID-19 restrictions.

Most staff moved to a "work from home" model, and teaching was changed to online delivery. When New Zealand moved to lower Alert Levels, students were able to attend classes on-site or continue to access classes remotely. The effect on our operations is reflected in these financial statements based on the information available to the date these financial statements were approved.

The main impacts on Te Pūkenga financial statements due to COVID-19 are explained below:

Revenue	Drop of revenue due to lower international student enrolments. Domestic enrolment decreased due to potential learners heading straight into the workforce in our high employment/increasing cost of living economy in 2022. Covid lockdowns impacted revenue in areas such as Childcare facilities and cafes.
Students	As with revenue, international student numbers were down in 2022 and 2021. Domestic student numbers also decreased in 2022 compared to 2021.
Suppliers	The majority of suppliers to Te Pūkenga Group are based in New Zealand, so the COVID-19 effect on supply was minimal.
Employees	Teaching staff developed online delivery methods when students were home based. The majority of non-teaching staff were able to carry out their duties with minimal disruption to productivity.
Liquidity	The majority of the ITPs held sufficient working capital reserves to meet day to day cash requirements, however new debt instruments were drawn down where required. For the Group as a whole, COVID-19 has had limited effect on going concern status. However, it is noted that some subsidiaries that were experiencing going concern challenges prior to COVID-19 continue to do so.
Property Asset fair value assessment	Generally, property and land valuations have followed trends witnessed in the wider market increasing, in some case markedly. The proportion to which these increases can be directly attributable to COVID-19 is uncertain.
Impairment of tangible and Intangible assets	An impairment assessment was completed for tangible and intangible assets. The result of this assessment was that there is no evidence that suggests COVID-19 has impaired any of Te Pūkenga's assets. The recoverability risk of receivables was reviewed and no significant increase in impairment have arisen due to COVID-19.

Notes to the Financial Statements

for the year ended 31 December 2022

34. EVENTS AFTER BALANCE DATE

On 27 January 2023, Auckland experienced an extreme weather event resulting in flooding and damage to the area. Our MAINZ campus in Auckland was flooded due to an extreme weather event, resulting in significant damage and disruption to teaching activities. The financial impact of the damage is yet to be determined, but Te Pūkenga expects these costs to be significant. Initial assessment of the damage resulted in an insurance claim for all assets in MAINZ campus, approx. $2.6m. To date there has been no confirmation of the approval of the insurance claim but the damage has been assessed by the insurers and clean up has begun.

After consulting with staff and students, the decision was made by Te Pūkenga on 4 April 2023 to close the MAINZ campus in Auckland due to the non-sustainable financial performance. The campus has been closed since the extreme weather event on 27 January 2023 and will not reopen. There is still uncertainty around the financial and further impacts this will have on Te Pūkenga. This decision is set to impact approximately 18 kaimahi/staff (being 14.7 FTE).

On 14 February 2023 Cyclone Gabrielle had a devastating impact on the Napier area which ultimately resulted in extensive flood damage to EIT's main Taradale campus. The scale of damage has been significant with up to 90% of the ground floor buildings, over 500 rooms, being damaged. The current estimate is that it will be around August/September 2023 before a general transition to return to campus could begin. Costs to repair the campus and replace equipment will be extensive however it will take time to determine the exact impact. Whilst there is a focus on remedying the campus, there is equal priority in continuing learning for as much of our students as possible. Teaching has commenced from temporary rented facilities together with online teaching. There are however some programmes that cannot continue until we return to campus. The remediation, replacement and increased/additional costs resulting from this event are expected to be recovered from insurance.

The council of Te Pūkenga resolved to dissolve WBL on 31 December 2022 and the operations of WBL will continue under Te Pūkenga from 1 January 2023.

35. LATE COMPLETION OF THE AUDITED FINANCIAL STATEMENTS AND PERFORMANCE REPORT

The audited financial statements and performance report were completed on 17 July 2023. This is later than required by section 156(3)(b) of the Crown Entities Act 2004 and section 135(2) of the Education and Training Act 2020. Consequential effects of the disestablishment of 16 former ITP subsidiaries throughout 2022 and the delay in confirmation of revenue wash up payments and receipts, were the primary causes of the late submission of information required for consolidation into the Group financial statements. A contributing factor was the later than usual start to the audit, which did not leave any contingency for dealing with the issues that arose throughout the audit. Furthermore, due to limited resources at Te Pūkenga we were unable to quickly resolve complexities associated with the subsidiaries becoming part of the Parent during the year which meant matters raised on the business combination note, and the reconciliation of Group and Parent cashflow, contributed to delays in providing a final draft of Te Pūkenga annual report for audit clearance.

Ētahi pārongo atu
Other Information

Remuneration - Council and Board members

The below Council and Board members' remuneration values are for Te Pūkenga and the Group for the year ending 31 December 2022. Values to nearest dollar:

Name	Ara Institute of Canterbury	Eastern Institute of Technology	Manukau Institute of Technology	Nelson Marlborough Inst of Technology	Northland Polytechnic	Open Polytechnic of New Zealand	Otago Polytechnic	Southern Institute of Technology
Andrea Leslie	16,508							
Adam La Hood							31,042	
Aimee Rachel Kaio								15,600
Alison Broad								31,000
Andrea McLeod								
Andrew (Fale) Lesa			14,560					
Andrew Clearwater								
Andrew West								
Antonina Grant				12,559				
Beverley Gibson								
Bryn Thompson	16,508							
Barry Jordan								17,100
Breccan McLeod-Lundy						15,567		
Brian Warren								
Bronwyn Yates					9,868			
Bruce Robertson								
Caitlin Barlow-Groome								
Cassandra Crowley								
Chrisse Hape		19,508						
Charlotte Littlewood								
Chas Taurima								
Colleen Tuuta								
Catherine Cooney								
Charles Newton				12,524				
Craig McFarlane								
Craig Stinson								
Daniel Fleming								
Darren L Rewi								15,600
Erena Kara					9,864			
Geraldine Travers		15,615						
Geoff Day								
Grant Florence								

Tai Poutini Polytechnic	Toi Ohomai Institute of Technology	Unitec New Zealand	Universal College of Learning	Waikato Institute of Technology	Wellington Institute of Technology	Western Institute of Technology at Taranaki	Whitireia Community Polytechnic	Te Pūkenga Parent	Work Based Learning Ltd	Group Total
										16,508
										31,042
										15,600
										31,000
									6,897	**6,897**
		14,944								**29,504**
									20,635	**20,635**
				25,000						**25,000**
										12,559
						17,388				**17,388**
									23,367	**39,875**
			12,559							**29,659**
										15,567
									21,585	**21,585**
										9,868
									17,578	**17,578**
					5,644		5,645			**11,289**
						13,910				**13,910**
										19,508
						13,910				**13,910**
					5,600		5,644			**11,244**
						13,910				**13,910**
	15,565									**15,565**
										12,524
				45,000						**45,000**
									5,748	**5,748**
						13,910				**13,910**
										15,600
										9,864
										15,615
				20,007						**20,007**
									18,260	**18,260**

Remuneration - Council and Board members

(CONTINUED)

The below Council and Board members' remuneration values are for Te Pūkenga and the Group for the year ending 31 December 2022. Values to nearest dollar:

Name	Ara Institute of Canterbury	Eastern Institute of Technology	Manukau Institute of Technology	Nelson Marlborough Inst of Technology	Northland Polytechnic	Open Polytechnic of New Zealand	Otago Polytechnic	Southern Institute of Technology
Hilton Collier		32,026						
Heath Sawyer								
Hon. Steve Maharey								
Jane Cartwright	16,604							
Justin Lester							15,567	
Jeremy Morley								
Joanie Wilson				6,423				
John Brockies					12,559			
Jordan Gush								
Judene Edgar				12,524				
Kura Moeahu								
Karen Coutts							15,566	
Karen Vaughan						15,567		
Katarina Hina								
Kathy Grant				12,559				
Kim Hill-Taite								
Kim Ngarimu		15,617			11,160			
Kiri Goulter								
Lyal French-wright								
Linda Meade								
Leith Comer								
Linda Stewart								
Lorraine Stephenson								
Melanie Taite	20,634							
Marama Royal			14,560					
Margaret Devlin								
Mark Cleaver								
Maryann Geddes	16,508						15,520	15,600
Matthew Keene					9,768			
Megan Potiki							628	
Michael Crawford								
Mike Collins							18,878	

Tai Poutini Polytechnic	Toi Ohomai Institute of Technology	Unitec New Zealand	Universal College of Learning	Waikato Institute of Technology	Wellington Institute of Technology	Western Institute of Technology at Taranaki	Whitireia Community Polytechnic	Te Pūkenga Parent	Work Based Learning Ltd	Group Total
										32,026
								52,628		**52,628**
			13,525							**13,525**
										16,604
					11,160		11,160			**37,887**
								17,591		**17,591**
										6,423
								52,773	39,855	**105,187**
								52,628		**52,628**
										12,524
					5,600		5,644			**11,244**
										15,566
										15,567
			13,525							**13,525**
					5,644		5,644	52,320		**76,167**
				22,500						**22,500**
								65,785		**92,562**
				8,302						**8,302**
			13,525			13,910				**27,435**
					7,055		7,055			**14,110**
	7,783									**7,783**
			13,525							**13,525**
			13,525							**13,525**
										20,634
		14,944								**29,504**
				10,378						**10,378**
			17,443							**17,443**
								52,628	19,925	**120,181**
										9,768
										628
				8,302						**8,302**
										18,878

Remuneration - Council and Board members

(CONTINUED)

The below Council and Board members' remuneration values are for Te Pūkenga and the Group for the year ending 31 December 2022. Values to nearest dollar:

Name	Ara Institute of Canterbury	Eastern Institute of Technology	Manukau Institute of Technology	Nelson Marlborough Inst of Technology	Northland Polytechnic	Open Polytechnic of New Zealand	Otago Polytechnic	Southern Institute of Technology
Mike King								
Monique Cairns			14,560					
Murray Bain	16,604				15,698	5,000		16,100
Murray Strong						15,567		
Murray Donald								17,000
Nettles Lamont	16,508							
Ngaroma Tahana								
Nicole Anderson					12,559			
Niwa Nuri								
Paid to Open Polytechnic (for Caroline Seelig)						5,000		
Pamela Storey								
Patrick Smith				15,655				
Paul Allison							15,566	
Peter Cowper				12,524				
Peter Parussini			14,944					
Peter Winder			21,460					
Robin Brockie								
Ross McKelvie		15,617						
Raewyn Mahara								
Rebecca Keoghan								
Renee Rooney								
Richard Powdrell								
Ripeka Evans					22,427			
Robert Caldwell								
Robert Reid			19,160					
Sue Hope								
Sam Huggard								
Steven Renata			14,560					
Tupara Morrison								
Tagaloatele Peggy Fairbairn-Dunlop								
Tania Hodges								
Teorongonui Keelan								

Tai Poutini Polytechnic	Toi Ohomai Institute of Technology	Unitec New Zealand	Universal College of Learning	Waikato Institute of Technology	Wellington Institute of Technology	Western Institute of Technology at Taranaki	Whitireia Community Polytechnic	Te Pūkenga Parent	Work Based Learning Ltd	Group Total
									18,744	**18,744**
		14,944								**29,504**
										53,402
12,659								92,814	19,925	**140,965**
										17,000
										16,508
	7,783									**7,783**
										12,559
	7,783			16,606						**24,389**
										5,000
				8,302						**8,302**
										15,655
										15,566
										12,524
		14,944								**29,888**
		19,928						26,382		**67,770**
						27,823				**27,823**
										15,617
				8,302						**8,302**
25,217										**25,217**
12,659										**12,659**
									5,364	**5,364**
	9,729									**32,156**
15,798										**15,798**
		19,391								**38,551**
					5,644		5,644			**11,288**
12,723						13,975		52,903		**79,601**
		14,944								**29,504**
					5,600		5,644			**11,244**
								52,628		**52,628**
	7,783			8,302				52,773		**68,858**
								52,628		**52,628**

Remuneration - Council and Board members

(CONTINUED)

The below Council and Board members' remuneration values are for Te Pūkenga and the Group for the year ending 31 December 2022. Values to nearest dollar:

Name	Ara Institute of Canterbury	Eastern Institute of Technology	Manukau Institute of Technology	Nelson Marlborough Inst of Technology	Northland Polytechnic	Open Polytechnic of New Zealand	Otago Polytechnic	Southern Institute of Technology
Thérèse Arseneau	33,019					15,567		
Tracy Johnston		15,617		25,049				
Vanessa Eparaima								
Vaughan Renner						40,138		
Verne Atmore								
Xiao Peng (Jerry) He						15,567		
Ziena Jalil			14,560					
Total	**152,893**	**114,000**	**128,366**	**109,818**	**103,903**	**127,973**	**112,767**	**128,000**

Values to the nearest $, not $000

Tai Poutini Polytechnic	Toi Ohomai Institute of Technology	Unitec New Zealand	Universal College of Learning	Waikato Institute of Technology	Wellington Institute of Technology	Western Institute of Technology at Taranaki	Whitireia Community Polytechnic	Te Pūkenga Parent	Work Based Learning Ltd	Group Total
										48,586
										40,666
									19,871	**19,871**
										40,138
			27,050							**27,050**
										15,567
		14,944								**29,504**
79,056	56,426	128,983	124,677	181,001	51,947	128,736	52,080	676,482	237,754	2,694,862

Remuneration - Employees

The employee counts are shown in the table below:

Total remuneration paid or payable	Ara Institute of Canterbury	Eastern Institute of Technology	Manukau Institute of Technology	Nelson Marlborough Inst of Technology	Northland Polytechnic	Open Polytechnic of New Zealand	Otago Polytechnic	Southern Institute of Technology	Tai Poutini Polytechnic	Toi Ohomai Institute of Technology	Unitec New Zealand	Universal College of Learning	Waikato Institute of Technology	Western Institute of Technology at Taranaki	Whitireia Community Polytechnic and Wellington Institute of Technology	Te Pūkenga Parent	Work Based Learning Ltd	Group Total
$100,000 - $109,999	56	9	23	7	8	35	31	13	3	31	43	15	49	6	25	9	50	**413**
$110,000 - $119,999	22	10	10	4	9	27	32	6	1	15	29	13	22	2	8	2	35	**247**
$120,000 - $129,999	12	3	13	3	5	22	5	5	0	4	12	2	8	0	6	5	31	**136**
$130,000 - $139,999	8	1	11	1	1	11	12	4	0	13	13	2	2	2	2	10	25	**118**
$140,000 - $149,999	6	2	5	0	1	3	4	1	1	3	5	4	7	0	4	6	14	**66**
$150,000 - $159,999	6	4	4	0	2	4	5	1	1	0	6	2	5	1	4	3	17	**65**
$160,000 - $169,999	4	3	3	1	1	2	1	2	0	1	7	1	6	3	3	2	7	**47**
$170,000 - $179,999	3	2	1	1	0	3	3	1	1	0	1	3	1	1	2	4	10	**37**
$180,000 - $189,999	0	0	4	0	2	0	0	0	0	4	1	2	2	0	0	2	6	**23**
$190,000 - $199,999	0	1	2	0	2	2	3	0	0	1	2	0	2	2	0	4	5	**26**
$200,000 - $209,999	2	0	1	0	0	1	0	0	0	3	3	3	1	0	2	1	2	**19**
$210,000 - $219,999	1	1	0	0	0	2	0	0	0	0	1	0	2	0	0	2	1	**10**
$220,000 - $229,999	0	1	0	0	0	2	0	0	0	1	0	0	2	0	1	1	7	**15**
$230,000 - $239,999	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	**2**
$240,000 - $249,999	1	0	0	0	0	1	0	0	0	0	0	0	1	0	0	1	4	**8**
$250,000 - $259,999	1	0	0	0	0	1	0	0	0	1	0	0	1	0	1	2	0	**7**
$260,000 - $269,999	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	0	3	**6**
$270,000 - $279,999	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	**1**
$280,000 - $289,999	0	0	1	0	0	0	1	0	0	1	0	1	0	0	0	0	3	**7**
$290,000 - $299,999	0	0	0	0	0	0	0	0	1	0	1	0	1	0	0	2	2	**7**
$300,000 - $309,999	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	**1**
$310,000 - $319,999	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	**2**
$320,000 - $329,999	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	2	**4**
$330,000 - $339,999	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	**1**
$340,000 - $349,999	0	0	0	1	1	0	0	0	0	0	0	0	0	1	1	2	1	**7**
$350,000 - $359,999	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**1**
$360,000 - $369,999	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	**1**
$370,000 - $379,999	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	**1**
$380,000 - $389,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
$390,000 - $399,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
$400,000 - $409,999	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	**2**
$420,000 - $429,999	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**1**
$450,000 - $450,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
$520,000 - $529,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	**2**
$570,000 - $579,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
$670,000 - $679,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
$860,000 - $869,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	**1**
Total	**122**	**38**	**83**	**18**	**32**	**117**	**101**	**34**	**8**	**79**	**126**	**49**	**113**	**18**	**59**	**63**	**226**	**1,285**

Cessation payments

The table below shows the total value of compensation or other benefits paid or payable to persons who ceased to be members, committee members or employees during the 12 month period 1 January 2022 to 31 December 2022 in relation to that cessation and the number of persons to whom all or part of that total was paid or payable.

	Number of staff	$
Subsidiary/Associate/Joint venture		
Ara Institute of Canterbury	12	256,538
Eastern Institute of Technology	14	559,447
Manukau Institute of Technology	7	144,045
Nelson Marlborough Institute of Technology	0	0
Northland Polytechnic	0	0
Open Polytechnic of New Zealand	2	32,776
Otago Polytechnic	26	1,401,823
Southern Institute of Technology	2	660,000
Tai Poutini Polytechnic	0	0
Toi Ohomai Institute of Technology	18	592,356
Unitec New Zealand	31	564,278
Universal College of Learning	26	259,826
Waikato Institute of Technology	9	366,346
Western Institute of Technology at Taranaki	8	126,000
Whitireia Community Polytechnic and Wellington Institute of Technology	17	354,812
Te Pūkenga Parent	6	515,343
Work Based Learning Ltd	0	0
Group Total	**178**	**5,833,590**

Te Pūkenga