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Te Pūkenga

2023

Te Pūrongo ā-Tau
Annual Report

Te Pūkenga – New Zealand Institute of Skills and Technology

Te Pūkenga

Ngā Ihirangi | Contents

Te Anga Rautaki | Strategic framework

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 2023

236,819
Ākonga (learners)

including
105,103
Trainees and apprentices

2,300+
Programmes delivered

79%
Course completion rate

251
Research degree completions

13,852
Work Based Learning trainees and apprentices completed programmes

26,750
Employers

47,195
Graduates

28
Net Promoter Score (NPS) for employer satisfaction

8,437
Kaimahi (staff) FTE

Number of Kaimahi (staff) Headcount:

5,096 professional /support

3,863 academic /teaching

264 management

34 research

Top six areas of provision:

- **21%** Architecture and Building
- **18%** Engineering and related technology
- **14%** Society and Culture
- **12%** Health
- **10%** Management and Commerce
- **6%** Agriculture, Environmental and Related Studies

90%
Ākonga satisfaction rate

84
Sites

1,140
Buildings

Participation rates
Domestic learners

21% Māori	9% Pacific	7% Disabled

Te Pūronga a te Heamana me te Kaiwhakahaere Mātāmua | Chair and Chief Executive's Report

This is the fourth Te Pūkenga annual report and the first report as a unified tertiary education institution. This report summarises performance and the work undertaken to achieve outcomes and respond to the challenges we faced.

In December 2023, Te Pūkenga Council received from the new Minister for Tertiary Education and Skills, Hon. Penny Simmonds CNZM, a Letter of Expectations. In the letter, the Minister confirmed it is no longer the Government's priority to have a centralised organisation for delivering vocational education and training. As a result Te Pūkenga began to prepare for disestablishment. Furthermore, any activities inconsistent with disestablishment were ceased.

As a result, all transformation activities, including the recruitment for the Tāraia te anamata |Creating Our Futures structure and phase two of the Digital group restructure, were halted until a new vision and structure for vocational education and training are developed.

Since receiving the new directive, we have looked at changes we can make to align with the Minister's Letter of Expectations, including considerations for delegations of authority, branding, and IT systems. During the process of change, we continue to work on priorities, including our current Charter and Statement of Performance Expectations, our financial and employment obligations, and work collaboratively with the Tertiary Education Commission (TEC), Ministry of Education (MoE), and other organisations towards the future state.

This report describes the work we carried out in 2023 before the new Government communicated in December that a single network of provision is no longer a priority.

In 2023, Te Pūkenga accelerated transitional activity and significant organisational change to support the then Government's objectives and achieve the goals outlined in the Reform of Vocational Education (RoVE) strategy. The aim was to align the strategic direction of Te Pūkenga in accordance with the intent of the reforms, governing legislation and Ministerial expectations.

On 1 January, Te Pūkenga became a single tertiary education institution, marking the disestablishment of the 16 institutes of technology and polytechnics (ITPs) and the dissolution of Work Based Learning Limited (WBL Ltd.), into which the industry training organisations had transitioned.

The start of the year presented serious unexpected challenges with the Auckland flooding at the end of January, and Cyclone Gabrielle in February. These severe weather events had a significant impact on New Zealanders, including many of our Te Pūkenga kaimahi (staff) and ākonga, their homes, our campuses and employers' businesses. 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 finding alternative arrangements that would minimise disruption to teaching and learning. Recovery continued throughout 2023, with incredible resilience shown by both kaimahi and ākonga following Cyclone Gabrielle and the EIT rebuild at our campus in Taradale.

As generally experienced across New Zealand tertiary institutions in 2023, Te Pūkenga also saw domestic enrolments decrease further than forecast in 2022. Unusually, in the historical context of vocational education delivery, both provider-based and work-based enrolments declined. It is not unusual in times of high levels of employment (as in 2023) to observe a decline in provider-based enrolments. However, the impact of the targeted training and apprenticeship fund ending had a significantly greater impact on work-based enrolments than anticipated.

During the year, eight business groups were established. In April, three enabling business groups were established: Digital; Finance and Property; and People, Culture and Wellbeing. In June, a five-week consultation on Tāraia te anamata | Creating our Futures began, involving over 10,000 kaimahi and unions. The aim was to create national structures for the five remaining business groups: Academic Centre and Learning Systems; Ako Delivery; Learner and Employer Engagement and Attraction; Tiriti Outcomes; and Office of the Chief Executive. The consultation received over 8,300 responses, and the change proposals were substantially refined after consideration of this feedback.

On 20 September, the confirmed operating structure for approximately 90 percent of the organisation was announced. Earlier in the year, Regional Executive Directors were appointed to oversee service delivery in the four rohe (regions), and all four regional structures were operational by the end of 2023.

Work progressed on Te Mahere Mahi Panonitanga me te Whakaumu | Transition and Transformation Work Programme to oversee the transition of kaimahi and functions into the single, unified structure. In the latter half of 2023, the Transition Programme mapped more than 1,400 functions / activities (many common across divisions) to the new business groups.

Despite the challenges of this change, rapid progress was made across the network. This included the significant course redevelopment work in transitioning 351 programmes into 51 unified programmes.

A total of 231,586 enrolments were made across all programmes delivered in 2023. Out of these, 59,786 enrolments were in unified programmes — a much higher percentage than expected. This reflects the speed at which unification progressed in 2022 and 2023, maximising the number of programmes available and the popularity of these programmes across the country.

Te Pūkenga aspires to achieve Te Tiriti o Waitangi excellence and equity in all that we do. Throughout 2023, we developed systems, processes, and resources to support Te Pae Tawhiti — our Tiriti Excellence Framework. We continued to build our te ao Māori cultural capabilities and awareness to help us deliver on our partnership responsibilities under Te Tiriti o Waitangi (the Treaty of Waitangi). Equity in course completion for Māori and Pacific learners show improvements across almost all categories for Student Achievement Component (SAC) funded Māori and Pacific learners compared with the non-Māori and non-Pacific learner cohort.

Several major partnerships were formed with large employers, including the New Zealand Air Force, Fonterra, Amazon, Microsoft, Apple, Air New Zealand, and the Ministry of Social Development (MSD). In August 2023, a collaboration agreement was signed at Parliament between Te Pūkenga and China. The Memorandum of Arrangement (MoA) marked a commitment from China to work with us across both countries to enhance vocational training and spans key areas such as talent cultivation, cross credits, student exchanges and academic visits.

International numbers were significantly ahead of the 2023 target, reflecting the returning desirability of New Zealand as a study destination and Te Pūkenga as a quality provider. The positive impacts this provides for the internationalisation of Te Pūkenga portfolio and curriculum, and revenue streams was a particular positive for 2023.

Foundational enrolments at levels one and two increased beyond expectations, reflecting the increasing group of those seeking re-engagement in education. This is a unique part of the portfolio, and we continue to engage with the Tertiary Education Commission (TEC) and Ministry of Education on ensuring appropriate funding and policy settings, and at the same time focussing on an effective programme of study design and learning support needs.

The 2023 overall credit achievement rate increased from 2022 and surpassed the target for 2023. Among the factors contributing to this improvement were an increased focus on learner progression, right-sizing and improving the accuracy of portfolios of learners for training advisers, study nights, mentoring programmes, and a closer focus on individuals. There was little variance across the regions, showing learning approaches are meeting the needs of learners equally across the country.

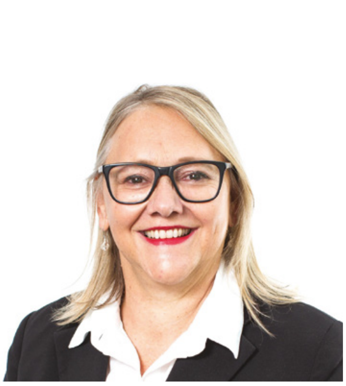
Whilst there was a $183M shortfall in group revenue against the budget, expenditure reduced by a corresponding $172M over the year, delivering a $11M negative variance to budget.

2023 expenditure includes the impact of EIT impairments, unbudgeted make-good costs for SIT Queenstown and Regent Street in Wellington and higher than anticipated programme-related impairments for Otago Polytechnic.

Looking back on the year 2023, we want to acknowledge the significant mahi and manaakitanga of kaimahi during a time of momentous change. And, for the continued work towards equipping ākonga to gain better skills and qualifications, in good jobs faster, and with less debt. We thank kaimahi for all their efforts as we continue to provide on-campus, on-the-job and online and distance learning in a way that is culturally responsive. We remain incredibly grateful for the work they have done and the commitment to deliver the best vocational education and training for ākonga, employers and our communities across Aotearoa New Zealand.

Sue McCormack
Heamana ō-naianei |
Acting Chair, Te Pūkenga Council

Gus Gilmore
Tumuaki |
Chief Executive, Te Pūkenga



Sue McCormack

Gus Gilmore

He tiro whakamuri | A year in review

In December 2023 the new Minister for Tertiary Education and Skills confirmed the intent to disestablish Te Pūkenga and establish regionally based institutions. This resulted in the cessation of all transformation activities not consistent with this direction.

This Annual Report predominantly reviews performance and progress in the context of the pre-existing strategic and performance frameworks as defined in Te Pūkenga Transitional Statement of Intent 2021 – 2024, the Statement of Performance Expectations 2023, the Reform of Vocational Education, and the expectations of the previous government. We acknowledge that some of this work is no longer consistent with the direction of the current government.

A single tertiary education institution

On 1 January 2023, Te Pūkenga became a single tertiary education institution, marking the disestablishment of the 16 institutes of technology and polytechnics (ITPs) and the dissolution of WBL Ltd, into which the industry training organisations had transitioned.

There followed a transition period of unifying the business divisions and establishing our key academic, digital and organisational foundations.

Between April and June the following key leadership roles were appointed:

- Regional Executive Directors to oversee the delivery of services in the four rohe (regions), including building relationships with the 15 Regional Skills Leadership Groups (RSLGs).
- Eight National Ako Network Directors to manage relationships supporting education delivery across their respective industry domains. This included developing our relationships with the six Workforce Development Councils, whose clusters of industries the Ako Networks match.
- National organisational structures were confirmed for three enabling functions: Digital; Finance and Property; and People, Culture and Wellbeing.

Tāraia te anamata | Creating our Futures change programme

In June, a five-week consultation with over 10,000 kaimahi and unions began on Tāraia te anamata | Creating our Futures for the national structures for the five remaining business divisions: Academic Centre and Learning Systems; Ako Delivery; Learner and Employer Engagement and Attraction; Tiriti Outcomes; and Office of the Chief Executive.

More than 8,300 pieces of feedback were received. Following consideration of this feedback, substantial refinement of the change proposals happened, and on 20 September, we announced the confirmed operating structure for about 90 per cent of the organisation. The structure was well received by staff, unions and external stakeholders.

In October, after kaimahi kōrero on how the single operating structure would work in practice, recruitment of national roles got underway. The message to kaimahi was that we wanted to retain as much of our talent and expertise as possible. Recruitment support workshops were provided for kaimahi who hadn’t been in the job market for a while to build their confidence in writing applications and preparing for interviews.

By early November, senior managers were deep in interviews and appointments being made. Once tier 3 roles were filled, the aim was to cascade recruitment progressively through the organisation.

Many of the 401 impacted staff applied for and secured roles in the new structure. The new structure delivered a net reduction of 200 roles and cost savings.

Digital and financial

The May 2023 Budget allocated a $220 million Crown loan to fund Te Pūkenga IT integration. The aim was to create a single unified digital ecosystem of systems and tools for our ākonga and kaimahi. Kāhui Matihiko | Digital developed an Information Systems Strategic Plan (ISSP) for Te Pūkenga, together with an enterprise architecture closely aligned with Te Pūkenga strategic objectives.

Transformation work completed in 2023 included:

- The rollout of eduroam to provide free, secure, high-performance Wi-Fi for ākonga and kaimahi across the network.
- In September, we signed a contract with Technology One for a new Financial Management Information System (FMIS) to streamline and standardise our financial processes across all business divisions, reducing the current 24 systems to a single, efficient platform.
- On the skills front, Te Pūkenga partnered with industry giants Microsoft and Amazon Web Services (AWS) to develop ICT skills and career opportunities for ākonga and kaimahi across the network.
- Phase two of the digital group restructuring began in November. This was halted in December.

Focus on ākonga

In June 2023, we published the 2022 Te Pūkenga Pastoral Care Code of Practice report, outlining how we implemented the new 2021 Code. The report took a whole-of-Te Pūkenga approach for the first time. It aggregated business divisions' self-reviews and created a single report and action plan for embedding the Code in our systems and processes to ensure ākonga are at the centre of all we do.

In September, Te Pae Ora, a digital wellbeing hub for ākonga went live. The hub is a repository for videos, articles, tools and information to guide and empower ākonga to care for their wellbeing and find resources and services to support their learning journey.

Transformation roadmap

Meanwhile, work progressed on Te Mahere Mahi Panonitanga me te Whakaumu | Transition and Transformation Work Programme to oversee the transition of kaimahi and functions into the single, unified structure. The first version of the Transformation Roadmap and the Financial Strategy went to the Minister of Education and Tertiary Education Commission on 31 July.

In the latter half of 2023, the Transition Programme mapped more than 1,400 functions / activities (many common across divisions) to the new business groups.

Transition to the new structure was to be phased in early 2024 to minimise disruption of delivery to ākonga, employers, industry and other partners and to create a strong foundation for the future.

Unification programme

We have successfully unified a large number of programmes that Te Pūkenga inherited leading to increased interest from ākonga. The aim was to remove duplication and competition for enrolment of the same ākonga, whilst reducing cost and improving quality and consistency for better outcomes.

Whilst unification was paused in early 2023 to enable planning for accelerated unification – a new approach – previously unified programmes were delivered for the first time in 2023. Unified programme areas include Agribusiness Management, Animal and Veterinary Technology, Apiculture, Applied Science, Barbering, Business, Construction, Forestry, Hospitality and Tourism, Hairdressing, Massage and Real Estate.

Programme unification was prioritised to ensure maximum benefit as fast as possible. Our focus was on the 200 programmes which contribute approximately 80 percent of total delivery volume (49 percent are at NZQF Levels 1-6, and 50 percent at Level 7 or above).

There were a total of 231,586 enrolments across all programmes delivered in 2023. Out of these, 59,786 enrolments were in unified programmes — a much higher percentage of enrolments in unified programmes than expected for the year.

Cyclone Gabrielle

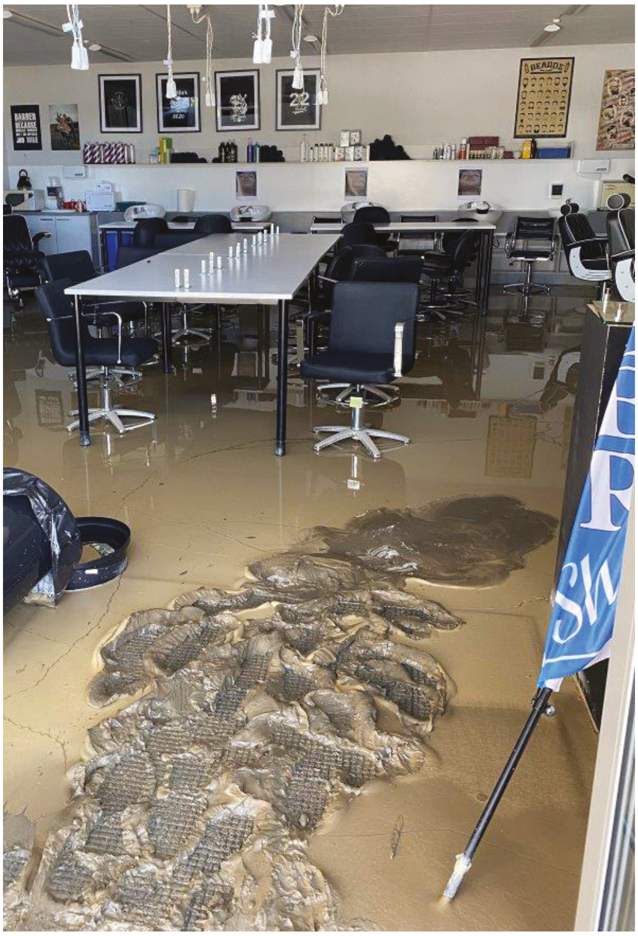
In February, Cyclone Gabrielle had a profound effect on many Te Pūkenga campuses as well as individual kaimahi and ākonga. While the cyclone hit much of the country, its effects were most devastating in Hawke's Bay and Tairāwhiti (Gisborne). It caused extensive damage to the EIT campus in Taradale with up to 90 percent of ground-floor buildings – more than 500 rooms – damaged by floodwater and contaminated silt.

While the Tairāwhiti campus in Gisborne was fine, there was widespread damage to infrastructure and coastal communities that continued to present challenges to delivery from Wairoa to Hicks Bay.

Bringing the facilities back into service while continuing to deliver learning for ākonga took a major team effort. The determination and resilience of our kaimahi in these communities was nothing short of remarkable.

Within two weeks of the cyclone, education delivery had resumed, much of it online, to all but eight programme offerings. EIT kaimahi established a network of temporary locations across Napier and Hastings to support teaching activity and house key services. At its peak, there were 45 temporary locations operating in what was coined the EIT | Te Pūkenga 'extended campus'.

By semester two in July, approximately 30 percent of the Taradale campus was reopened. Plans were well on track to have 70 percent of the campus open by semester one 2024, with good provision in a few remaining lease sites around Hawke's Bay to deliver our full range of programmes.



Letter of Expectations — December 2023

In December 2023, Te Pūkenga Council received a Letter of Expectations from the new Minister for Tertiary Education and Skills, Hon. Penny Simmonds. The letter confirmed the government's decision to disestablish Te Pūkenga and establish individual institutions based on regions. Te Pūkenga began to cease any activities inconsistent with disestablishment. As a result, all transformation work was halted, including recruitment for the Tāraia te anamata | Creating Our Futures structure and phase two of the Digital group restructure.

Kaitiakitanga | Governance

In April 2023, we welcomed Sue McCormack as Deputy Chair and Bill Moran as members of Council. At the end of March, we farewelled Kathy Grant, Maryann Geddes, and Tania Hodges when their ministerial appointments ended. In December, we farewelled Murray Strong as Council Chair.

Te Kaunihera | Members of Council

Member	Start date	Term ends	Appointed by
Murray Strong Chair until 8 December	1 April 2020	8 December 2023	Minister of Education
Sue McCormack Deputy Chair from 1 April – 8 December Acting Chair from 8 December	1 April 2023	31 March 2027	Minister of Education
Kim Ngārimu Deputy Chair until 31 March	1 April 2020	31 March 2024	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 2026	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, or ii. 31 May 2024	Interim Learner Committee nomination
Heath Sawyer	4 October 2021	The earlier of either: i. the election of the Kaimahi Advisory Committee; or ii. 31 May 2024	Interim Staff Committee nomination
Dr Teorongonui Josie Keelan	2 November 2021	31 May 2024	Komiti Māori nomination
Jeremy Morley	1 September 2022	31 August 2025	Minister of Education
Bill Moran	1 April 2023	31 March 2027	Minister of Education

Te Kaunihera | Members of Council

Murray Strong, Chairman until 8 December

Murray Strong has governance and senior management experience across many sectors, including tertiary education.

He is Chairman of the Centre of Digital Excellence in Dunedin, the Independent Chairman of the Digital Transformation Board for Te Whatu Ora Southern and Independent Chairman of Destination Southern Lakes.

Murray was the Executive Director of New Zealand Institute of Skills and Technology and the inaugural Chairman of Te Pūkenga. He resigned on 8 December 2023.

Sue McCormack, Acting Chair from 8 December

Sue McCormack is a commercial corporate lawyer who retired in 2019 from Mortlock McCormack Law after 35 years in practice to take up her role as Chancellor of the University of Canterbury.

Sue is a judicial member of the Canterbury Earthquakes Insurance Tribunal and Deputy Chair of KiwiRail. Sue's interest in education is long standing. She was a trustee on school boards for many years and a member of the University of Canterbury Council from 2009 until she retired as Chancellor in 2022. During her tenure at University of Canterbury, the University recovered from the Canterbury earthquakes, and as a member she was involved in the post-earthquake construction programme and in the University's post-quake rejuvenation and transformation.

Sue has a strong governance background as a Chartered Member of the Institute of Directors. Sue was a Canterbury Museum trustee and former director of Lyttleton Port Company, Public Trust and the New Zealand Symphony Orchestra.

Kim Ngārimu

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.

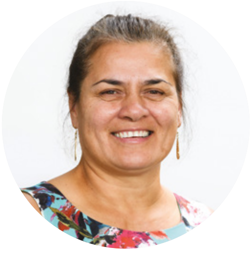
She is a member of the Medical Council of New Zealand and the Waitangi Tribunal and was previously Chair of Tairāwhiti District Health Board and Deputy Chair of the IST Establishment Board.

Maryann Geddes

Maryann Geddes is based in Christchurch and was previously Group Manager Risk and Compliance at Skyline Enterprises in Queenstown. Maryann worked for Skyline from 1994-2020 and was also part of the NZIST Establishment Board. Other governance roles have included Royal New Zealand Returned and Services Association, Tourism Industry Association, Otago Southland Employers Association, Aviation, Tourism and Travel Training Organisation and Hospitality Standards Institute.

Kathy Grant

Kathy Grant is currently a director of 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 IST Establishment Board, a member of the University of Otago Council, Chair of Otago Polytechnic, council Chair of the Dunedin College of Education and a Trustee of Central Lakes Trust. In 2015, the Minister of Health appointed Mrs Grant as Commissioner of Southern District Health Board following the disestablishment of the DHB.



Tania Hodges

Tania Hodges JP (Ngāti Pāhauwera, Ngāti Ranginui, Ngāti Hauā, Tuwharetoa, Ngāti Maniapoto, Ngāti 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, management 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 movement's work on just transitions. Sam currently works at NZEI Te Riu Roa. Sam is an experienced not-for-profit sector leader with 20 years of service across trade unions, the community sector and students' associations. His governance experience includes government, not-for-profit, academic and industry advisory bodies.

John Brockies

John Brockies is an experienced independent director with a professional background in 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 Peggy Fairbairn-Dunlop CNZM is an Emeritus Professor at Auckland University of Technology (AUT). She was lecturer in Education at Wellington Teachers College before moving to Samoa in 1980 where for almost 15 years she headed the Agriculture Education and Extension programme at the University of the South Pacific. She next held various United Nations posts including Sustainable Human Development Adviser, Head of UNIFEM Pacific and, UNESCO Education Adviser. Since returning to Victoria University of Wellington and then AUT, Tagaloatele's contribution to government and NGO educational research, practice and policy making has been significant.

Tagaloatele is a founding member of PACIFICA Inc and served as the National President. In 2017, she was appointed by the Government of Samoa to be a Commissioner in Samoa's first national inquiry into family violence. She was awarded a Companion of the New Zealand Order of Merit in 2015 for services to education and the Pacific community.

Jordan Gush

Jordan Gush is a former 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.

Heath Sawyer

Heath Sawyer (Ngati Awa, Ngati Hokopu) is Co-chair of the Interim Staff Advisory Committee, Principal Academic Staff member and Teaching and Learning Coach at Te Kuratini o Waikato (Wintec).

Previously Heath was a primary school principal and National Facilitator for the Ministry of Education's Managed Learning Environment team. At Wintec, he taught on the Graduate Diploma for Information Technology in Education and managed the Built Environment team.

Dr Teorongonui Josie Keelan

Josie Keelan 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 to 2019 and 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.

Bill Moran

Bill Moran is an independent professional director and has served in a variety of governance roles as chair, deputy chair and director of a range of public and private sector and charitable organisations across all sectors of the economy and community.

Bill is currently the Chair of Southern Generation and At the World's Edge Chamber Music Festival NZ and USA respectively, the Deputy Chair of WorkSafe New Zealand, and a director of Pioneer Energy, Sport New Zealand and High Performance Sport New Zealand. He is a trustee of the New Zealand Symphony Orchestra Foundation, Parliamentary Education Trust, Youthtown and Youthtown Foundation, Iti Kōpara Trust, and Hoops and Life Awhi Trust. Bill was previously Deputy Chair of Otago Polytechnic.

Bill was with the New Zealand Treasury from 1985 to 2016. His last role was Chief Operating Officer and Deputy Secretary of Strategy, Performance and Engagement. In the 2019 New Year Royal Honours, Bill was made a Member of the New Zealand Order of Merit for his services to State, Sport, and Youth.

Ngā Komiti a te Kaunihera | Committees of the Council

The Chair of Council is an ex-officio member of all 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 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 until 31 March), Sue McCormack (Committee Chair from 1 April), Murray Strong (until 8 December), Kim Ngārimu, Bill Moran (from 15 December).

Risk and Audit Committee

The objective of the Committee was 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), Jeremy Morley, Murray Strong (until 8 December), Kathy Grant (until 31 March), Kim Ngārimu, Sue McCormack (from 1 April).

The Committee was merged with the Finance and Capital Investment Committee on 15 December 2023.

Finance and Capital Investment Committee

The objectives of the Committee were 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 (the Group).

Members: Kathy Grant (Committee Chair until 31 March), Jeremy Morley (Committee Chair from 1 April), John Brockies, Tania Hodges (until 31 March), Murray Strong (until 8 December) and Teorongonui Josie Keelan.

The Committee was merged with the Risk and Audit Committee on 15 December 2023.

Finance, Risk and Audit Committee

The Finance and Capital Investment Committee was merged with the Risk and Audit Committee on 15 December 2023.

Members: Jeremy Morley (Committee Chair), Bill Moran, John Brockies, Dr Teorongonui Josie Keelan, Sue McCormack.

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 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), Tagaloatele Peggy Fairbairn-Dunlop, Murray Strong (until 8 December), Maryann Geddes (until 31 March), Dr Teorongonui Josie Keelan, Heath Sawyer, Sue McCormack (from 8 December).

Te Poari Akoranga

As required by the Education and Training Act (2020), Te Pūkenga has established an academic board, Te Poari Akoranga. This committee consists of Te Pūkenga Chief Executive and nominated members of the kaimahi and ākonga of Te Pūkenga (see list below). 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: Megan Gibbons (Co-Chair), Kieran Hewitson (Co-Chair from February 2023), Linda Aumua, Fiona Beals, Te Urikore Biddle (resigned August 2023), Patrick Hape (from July to August 2023), Mary-Liz Broadley, Hamish Duncan (resigned February 2023), Jasmine Te Hira, Anne Marie Gillies, Kim Isherwood (resigned February 2023), Diane Lithgow, Doug Pouwhare, Deborah Young, Henry Geary (from March 2023), Michael Alsford (resigned December 2023), Te Wai Collins, Glynnis Brook, Marama Rawiri (from July 2023), Fionna Moyer (from July 2023), Jasmine Te Hira, and Janine Kapa (from August 2023).

Interim Advisory Committees

In accordance with the Education and Training Act, Te Pūkenga Council is informed by three advisory committees – the Interim Learner Advisory Committee, the Interim Kaimahi Advisory Committee, and the Interim 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. These interim advisory committees will continue to be in place while Te Pūkenga gives effect to the new Letter of Expectations received 7 December from the Minister for Tertiary Education and Skills.

Komiti Māori | Interim Māori Advisory Committee

Komiti Māori represents Māori learners, 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.

Members: Dr Teorongonui Josie Keelan (Committee Co-Chair), Bentham Ohia (Committee Co-Chair), Ramari Raureti (resigned from June 2023), Glenda Taituha, Jasmine Te Hira and Dahrian Watene.

Interim Learner Advisory Committee

The Interim Learner Advisory Committee represents the voice of learners ensuring inclusion of Māori, Pasifika, disabled, LGBTQI+, international and work-based ākonga.

The group contributes to the development and review of key strategic matters with Te Pūkenga Council. It advises the Council on significant matters relating to the Council's strategic direction, Te Pūkenga legislation, and any frameworks or policies relevant to ākonga.

Members: Jordan Gush (Committee Co-Chair), Dahrian Watene (Committee Co-Chair), Henry Geary, Nina Lee Griffith, and Skyla Flower.

Interim Kaimahi Advisory Committee

The Interim Kaimahi Advisory Committee represents our kaimahi voice in the development and review of key strategic matters with Te Pūkenga Council.

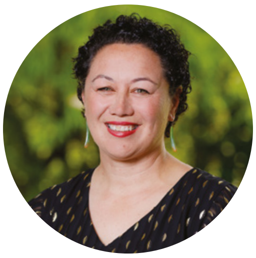
Members: Heath Sawyer (Committee Co-Chair), Nippy Paea (Committee Co-Chair until May 2023), Warwick Shillito (Committee Co-Chair from June 2023), Andrea Armstrong, Ang Cooper, Barry Paterson, Craig Ludlow, Henry Ma'alo, Ian MacDonald (resigned September 2023), Jessica Costall, Jody Takimoana, Linda Aumua, Mary-Liz Broadley, Ramari Raureti, Rhys Thurston (resigned from September 2023), Scott Casley, Keri Youngman and Ali Bahmad.

Rōpū Kaiarataki | Leadership Team

Te Pūkenga leadership team as of 31 December 2023:

- Peter Winder, Chief Executive, appointed December 2022 to December 2023
- Dr Megan Gibbons, Deputy Chief Executive (DCE) Academic Centre and Learning Systems, appointed December 2022
- Andrew McSweeney, DCE Learner and Employer Experience and Attraction, appointed December 2022
- Keri-Anne Tane, Chief People Officer, appointed July 2022
- Michelle Teirney, Chief Financial Officer, appointed November 2022
- Gus Gilmore, DCE Ako Delivery, appointed December 2022
- Paora Ammunson, DCE Tiriti Outcomes, appointed March 2023
- Ziena Jalil, Chief of Staff, appointed March 2023
- Teresa Pollard, Chief Digital Officer, appointed July 2022 to December 2023
- Steven Turnbull, Acting Chief Digital Officer, appointed December 2023.

Peter Winder
Te Pūkenga Chief Executive



Keri-Anne Tane
Chief People Officer

Paora Ammunson
DCE Tiriti Outcomes

Dr Megan Gibbons
DCE Academic Centre and Learning Systems

Michelle Teirney
Chief Financial Officer

Ziena Jalil
Chief of Staff

Andrew McSweeney
DCE Learner and Employer Experience and Attraction

Gus Gilmore
DCE Ako Delivery

Steven Turnbull
Acting Chief Digital Officer

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. Throughout 2023, we developed systems, processes and resources to support Te Pae Tawhiti — our Tiriti Excellence Framework — to further drive Te Tiriti o Waitangi excellence, equity and participation.

As one of the foundational frameworks of Te Pūkenga, Te Pae Tawhiti continued to guide us on our journey to plan for and understand the extent to which we are achieving Te Tiriti o Waitangi excellence. This was reflected in the Tāraia Te Anamata – Creating our Futures process undertaken throughout the year to develop the new organisational structure for Te Pūkenga, with the creation of Te Tiriti Outcomes group and the integration of Tiriti-focused roles such as Pounuku Tiriti (senior Tiriti leadership roles) within groups across Te Pūkenga.

A reporting system prototype to guide Te Pae Tawhiti action planning and reporting by each group was developed in 2023. This included the development of measures and monitoring mechanisms, proposed priority areas for collective impact across the network, and a proposed reporting cadence approach aligned to the organisational structure and TEC reporting requirements.

Alongside the development of new systems, a toolkit of resources was developed to assist Te Pūkenga kaimahi and leaders in engaging in Te Pae Tawhiti. This included regional Te Pae Tawhiti insight reports for executive leaders to guide their planning, and introduction to Te Pae Tawhiti reporting workshops which were piloted with select senior leaders. A Te Pae Tawhiti induction module, supported by frequently asked questions for all kaimahi, was developed to grow the organisation's understanding of Te Pae Tawhiti.

Work continued across Te Pūkenga on a range of projects that impact the outcomes and goals of Te Pae Tawhiti and contribute to Te Tiriti o Waitangi excellence, equity and participation. This included:

- Development of a level 5 te reo Māori micro-credential for kaimahi which focusses on increasing the number of fluent te reo Māori speakers across the network (funded by TEC via Te Tahua o te Reo Kairangi).
- Strengthening our network's partnerships with hapū, iwi and Māori 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.
- Te Tiriti Futures Fund enabled innovative Māori-led projects to be fostered and developed. Discussions and vetting of concepts were conducted with Te Hiku o Te Ika Development Trust, Te Arawa Lakes Trust, Tokona Te Raki Innovation, Pūhoro Science, Technology, Engineering, Math, and Medicine (STEMM) Academy and a number of other Te Tiriti partners throughout the network.
- Te Tiriti Partnerships team conducted a current state analysis across Te Pūkenga network. This identified 160 Te Tiriti Partnerships with iwi, hapū, hau kāinga, Māori employers, Māori enterprises and Māori collectives.
- Te Tiriti Futures team was disestablished in 2023 in preparation for the new structure announced in Taraia Te Anamata, with the expectation that Te Tiriti Futures function would be incorporated into Te Tiriti Partnerships.

Pacific engagement and outcomes

A national Pacific leaders' group, chaired by Peseta Sam Lotu-liga, was established to provide opportunities for Pacific partnerships to be developed across the network.

This group focused on driving initiatives that support improved kaimahi and employer cultural capability and, in turn, support Pacific ākonga in their learning.

A number of work-based business divisions, including Competenz, MITO, BCITO and Primary ITO, offered collaborative Pacific cultural capability workshops for staff who had direct contact with Pacific learners whilst also providing capability training for employers of Pacific ākonga.

Promotion of vocational scholarships and programmes in the Pacific region was carried out to recruit and attract Pacific ākonga to Aotearoa. Potential reciprocal transnational study programmes were also highlighted as key opportunities for domestic Pacific ākonga to study abroad in their heritage countries.

Domestic pathways that focused on Pacific ākonga success included staff so'otaga, an event for kaimahi to reflect and plan their Pacific teaching and learning approaches as lecturers and connect with other student support services to better service Pacific success needs.

The Pacific Research Symposium, held in December, provided a platform to showcase Pacific vocational education research. The symposium featured new Pacific postgraduate research in the healthcare and delivery of Samoan traditional tatau and highlighted the lack of an explicit Pacific presence within the Government's Tertiary Education Strategy. External partners who participated and presented included Pacific Cooperation Foundation, Ministry of Business, Innovation and Employment, Auckland Institute of Studies and Workforce Development Councils.

The collaborative nature of Te Pūkenga culminated in the creation of the Pacific Strategy, an overarching strategy with extensive employer and industry consultation and other stakeholder engagements with a domestic and international Pacific focus.

Te Pūkenga Manaaki Fund

Te Pūkenga Manaaki Fund is designed to help students overcome unexpected financial hardships that may arise while studying or training. In the first two quarters of the year, the fund provided $680,000 in financial assistance to 1,700 students who were affected by Cyclone Gabrielle and the Auckland floods.

In quarters three and four, the focus was on allocating $4 million in Manaaki funding to 18 business divisions. From July to October, more than $2.4 million was spent providing financial support to over 5,800 learners. The fund's priority was to help students from disadvantaged backgrounds; 37 percent of the recipients were Māori, 17 percent Pacific Islanders, and 12 percent disabled.

Most of the financial assistance provided was spent on transportation (25 percent) and food (19 percent), followed by housing (16 percent), utilities (16 percent), and then medical expenses, clothing, childcare, and other forms of support. Additionally, over 2,000 students benefited from group initiatives such as kai cupboards and breakfast clubs, petrol vouchers, and sanitary packs for those who needed assistance with period poverty.

National Disability Action Plan

In 2023, two national wānanga were held for representatives of Te Pūkenga's disabled ākonga community, which helped strengthen the ongoing relationship. The Disabled Ākonga Reference Group was established and a partnership with the National Disabled Student Association (NDSA) was formed. Additionally, disability confidence and neurodiversity training were expanded across the network, with participation from kaimahi at 200 work-based and campus-based locations. The feedback received was very positive.

In addition to the neurodiversity training, there has been rapid adoption of TEC's Disability Confidence 101 toolkit across the network. Work is underway to develop a Disability Confidence Toolbox that will consist of online learning objects, workshops, and information. A review of business division Disability Action Plans has been completed, and the findings are being used to guide a refresh of these plans in 2024.

Take wānanga | Case study: Delivering equity to Aotearoa tech sector

Te Pūkenga announced a new partnership with Apple's Racial Equity and Justice Initiative to help address tech sector gaps for Māori and Pasifika peoples in Aotearoa.

The initiative sees Te Pūkenga upskilling about 30 kaiako (teachers), from 10 kura and schools in Tāmaki Makaurau | Auckland that serve a high proportion of ākonga from Māori and Pasifika communities.

Māori make up just 4 percent and Pasifika 2.8 percent of the workforce in technology-related fields.*

Participating kaiako learn iOS app development with Swift Playgrounds, including app prototyping and design, digital media development, computer programming and user experience methodologies, resulting in a micro-credential in Digital Technologies Training. The kaiako and their school communities receive ongoing support and a device grant from Apple, enabling them to implement their learnings effectively.

To support the kaupapa, Te Pūkenga has:

- created specifically designed training to ensure kaiako have the skills and ongoing support they need to confidently teach the curriculum using Apple technology
- facilitated workshops between ākonga and industry kanohi ki te kanohi (face to face), allowing learners to connect and gain awareness of the futures available in the field. This partnership is an example of Te Pūkenga working with kura, communities and the tech sector in a targeted way to give effect to Te Tiriti and respond to the needs of priority learners including Māori and Pasifika.

* Digital Skills Aotearoa 2021 report (Page 12)

Take wānanga | Case study: **Iwi empowers tangata through training**

The aspirations of Ōpōtiki kaumātua for their people to prosper through their own entrepreneurship are becoming a reality through the iwi-led Open Ocean Whakatōhea Mussels Ōpōtiki Ltd factory, with training developed in partnership with Primary ITO | Te Pūkenga.

Founded with the return of Whakatōhea iwi taonga through the Tiriti o Waitangi settlement process, Open Ocean Whakatōhea Mussels has developed one of the first commercial offshore mussel farms in the world, including a mussel processing factory that is bringing both training and job opportunities for whānau.

The big success of this enterprise is that it is providing training and a pathway to employment for whānau now and into the future. Te Pou Oranga o Whakatōhea partnered with Primary ITO | Te Pūkenga to implement the Tuapapa Programme, which gave people the opportunity for education, training and employment at the mussel factory with the further opportunity for more study towards a qualification.

Te Pou Oranga o Whakatōhea Education Group Manager, Hohepa Hei, Whakatōhea, said Ōpōtiki's lack of job opportunities and high unemployment has led to much deprivation in the area, but the factory and the Tuapapa Programme are turning lives around. An opportunity like this has brought many people out of unemployment and prompted others to return home to the area for work. And when they engage with the Tuapapa Programme, we can give them that wraparound support and ensure that their journey is successful.

Primary ITO introduced the programme in early 2021, providing resources and training, before handing it over to Whakatōhea to complete and implement. Around 20 tauira (students) enter the programme each month.

Almost 70 percent of the 2021 Tuapapa graduates were employed full-time following the programme across a range of roles from line workers, shuckers, hygiene technicians, food safety, cleaning, forklift driving and team leader and management roles.

Take wānanga | Case study: **New vocational pathway for Pacific nurses in Aotearoa**

Growing and developing the Pacific health workforce is a key element to improving Pacific health outcomes in Aotearoa New Zealand. Having more representation from the various Pacific communities in the health sector can improve our ability to address barriers to care, build stronger relationships with services and improve better health outcomes for Pacific families and communities.

Last year, Te Whatu Ora Scholarships were introduced and awarded to 220 Pacific ākonga who are studying health qualifications at tertiary-level. Some recipients of Te Whatu Ora scholarship were ākonga enrolled on the new health qualification providing a pathway for Pacific-trained nurses to gain New Zealand Nurse registration. This has been developed by Whitireia and delivered by their Kaiako using MIT's School of Nursing in South Auckland facilities.

This partnership approach to education highlights how the flexibility of Te Pukenga national network has opened the opportunity for training through a mix of on-site, online and supported clinical experience provided close to the learners' home community.

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.

In 2023, Te Pūkenga started implementing its first network Learner Success Plan (LSP) and National Disability Action Plan (NDAP). These plans were created to support the establishment of necessary functions, structures, roles, policies, practices and processes required to give effect to the Equity and Ākonga Success Strategy.

The LSP and NDAP used a collective impact approach, whereby learner insights were used to inform scalable success strategies. Coaching and facilitation services were also provided to enable learner success implementation across regions and business divisions.

The LSP and NDAP projects in 2023 enabled:

Expanded mental health and wellbeing services
In 2023, we partnered with Te Whatu Ora and invested over $4.6 million to provide new and improved mental health and addiction services for our ākonga (students), including:

- training 30 kaimahi to become facilitators in Mental Health First Aid Course with facilitators delivering 19 courses in 2023
- establishment of five Regional Clinical Coordinators
- delivery of various mental health services, both on-site and remotely, with a focus on kaupapa Māori and Pacific wānanga
- establishment of Te Pae Ora, a digital wellbeing hub for all ākonga that hosts wellbeing self-help resources (by learners for learners) and a service directory
- development of a learner-informed campaign promoting mental health and awareness of resources/services available to ākonga across the network
- implementation of a 2-hour Introduction to Mental Wellbeing Course for Ākonga, with 20 kaimahi trained and 11 courses delivered in 2023.

As a result of these efforts, over 6,500 ākonga accessed enhanced mental health services offered through our partnership with Te Whatu Ora, with over 14,959 sessions provided. There was a consistent positive uptake of services by Māori (27 percent) and Pacific learners (13 percent) for Te Whatu Ora-funded primary mental health services.

National Tuākana Teina, peer mentoring and whanaungatanga for ākonga
A total of 44 projects were funded for implementation, reaching over 4000 learners across 15 business divisions. These projects were specifically designed and implemented by business divisions to foster a sense of belonging and connection for learners, along with providing peer mentoring and whānau engagement to help their learning.

Furthermore, communities of practice were established, with 20 project teams sharing initiatives, resources, and methodology. Around 200 network kaimahi attended sessions, and co-mentoring hui were organised among numerous project teams.

Learner voice and networks
The Learner Advisory Committee and Learner Leadership Group participated in several workshops to enhance their skills and meet the needs of learners. They collaborated with learners, including national student associations, to design an ideal future state that would enable learners to have a say in every level of Te Pūkenga decision-making.

To ensure that the voice of ākonga Māori is heard, a partnership with Te Mana Ākonga focused on learner representation and testing and implementation of a national Māori learner network.

Five national learner network pilots began, including Māori, Pacific, Disabled, and two Ako industry learner groups, to create a unified experience for ākonga. These networks will help form online and local learning groups that will provide support to learners during their learning journey and build a sense of community among them.

The ākonga experience and voice were at the centre of LSP projects, alongside network kaimahi. They collaborated to develop a concerns and complaints process, an ākonga-led mental health campaign, and a Hauora Hub, a digital wellbeing space for learners. Additionally, they were involved in the design of learner networks and a holistic navigation model that would aid learners in navigating various support systems and services.

Ākonga-centred policies
In 2023, mahi continued to prioritise a learner-centred policy framework. The development of the Learner Voice and Partnering Policy aims to set expectations and standards across Te Pūkenga network while supporting the adoption of Whiria Ngā Rau, the Pastoral Care Policy, towards ensuring the wellbeing and safety of students enrolled at Te Pūkenga and complying with the Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021.

Another important policy being developed was the Ākonga Rights and Responsibilities policy which outlines the rights and responsibilities of learners throughout their journey. It includes a code of conduct and procedures for raising concerns or complaints that have been co-designed with learners for implementation in 2024.

Additionally, the learner payment policy provides operational guidance and ensures consistency for payments made to learners who formally contribute to the mahi of Te Pūkenga. This policy acknowledges the value that learners bring to the development of strategies, policies, plans and products.

Ākonga insights and performance

Two learner surveys were conducted across Te Pūkenga network, providing an organisation-wide perspective on ākonga engagement and satisfaction. The final survey in 2023 resulted in a Net Promoter Score (NPS) of 19.2, a wellbeing rating of 91 percent, and an overall experience score of 89 percent.

A research project interviewing over 105 students and work-based learning kaimahi was completed to understand the factors that lead to apprenticeship withdrawals. It used both quantitative and qualitative methodologies. The ākonga feedback led to recommendations on how to increase retention rates throughout apprenticeships.

Network Participation and Equity dashboards were developed that enabled network tracking of priority learner group participation, success rates, and parity of outcomes. Product portfolio dashboards were also created that combine campus, distance, and work-based learning to provide a comprehensive view of performance towards a qualification.

Data and insight dashboards were also produced to inform the programme unification and transformation of Nursing, Midwifery, Trades, and Sport programmes. These dashboards provide disaggregated data on learner access, completion and retention rates, employment and income.

Pastoral Care Code

Te Pūkenga published its first network Pastoral Code Framework which outlines six strategic shifts required to meet the Code requirements. As part of this, business divisions have conducted self-reviews of their practice, pastoral care systems and delivery to ākonga. To facilitate this process, over 100 kaimahi were provided with training and supporting guidance documents. Over 4,300 records were entered, along with evidence, which were all collated into Te Pūkenga Self-Review Report. This report, published in June 2023, provides a unified baseline of data for future pastoral care work to build on.

Following publication, the business division Code Leads and project team collaborated to identify improvements for future practice and were implemented along with a review of 2023 practice.

In 2023, the key areas of strategic focus were:

- **Engagement with Ākonga (Build and Maintain Partnerships/Partnering)**
  The business divisions strived towards making ākonga involvement in decision-making a regular practice, evident through active engagement with diverse students.
- **Measurement of the Impact of Pastoral Care Initiatives (Deliver Data Driven Decisions and Actions)** The Protecht information reporting platform and analytics were utilised to conduct self-reviews, monitor action plans, and meet the organisation's attestation obligations.
- **Code Capability Development (Engage, Educate and Facilitate Code Compliance)**
  It is our responsibility to ensure that all employees understand and support the Code implementation appropriate to their roles. To achieve this, we need to provide regular training, tailored to specific roles, and become code compliant. This includes the development of high-quality code-related resources that are now widely available. In July, we completed the Pastoral Code Capability Gap Analysis, identifying and prioritising capability development modules. Currently, we are developing modules that include:
  - cracking the Code
  - responding to the mental health needs of students
  - accommodation
  - incident reporting
  - disability confidence - dyslexia.

In collaboration with New Zealand Qualifications Authority (NZQA), we conducted accommodation monitoring for all Te Pūkenga residential facilities to ensure compliance with the Code. We identified areas that needed improvement and made them uniform across all facilities. To promote best practice, we established the Tertiary Students Accommodation Community of Practice group, which meets regularly. This group has collaborated with legal experts to develop a set of accommodation contracts that providers can use.

Take wānanga | Case study: **Neurodiverse trainees at Flourish Café**

A group of neurodiverse trainees in Auckland have found new careers in the hospitality industry, thanks to a pilot programme between ServiceIQ |Te Pūkenga and Flourish Cafe in Takapuna.

The cafe, which is owned and run by charity ProjectEmploy, provided trainees with learning differences such as autism, anxiety disorders, and Down syndrome an opportunity to take part in the new Level 3 Hospitality Savvy programme. In 2023, eight trainees started the level 3 programme for six months. Four of them now have paid jobs while the others are actively seeking employment.

Hannah Sykes, the lead of ProjectEmploy programme at Flourish Cafe, said it has been extremely rewarding for her to see the trainees' capabilities and confidence grow over time. The trainees have gained a lot of valuable knowledge from the programme and have been able to apply the concepts they learned in both hospitality roles and other types of roles they are seeking.

ProjectEmploy has recently opened a second Flourish Cafe in Fanshaw Street, which is located in central Auckland. ServiceIQ has also enrolled five disabled trainees at Cargill Enterprises in Dunedin into the Level 3 Distribution Savvy programme.

Adele McLean, the Kaiwhakahaere Ōritetanga and Workforce Equity Manager for ServiceIQ, said that if these pilots in Dunedin and Pakuranga are successful, it will open up opportunities for similar initiatives in other parts of the country and with other industries. Adele said there is high interest from around the country on how this initiative could be implemented more widely.

Take wānanga | Case study: **Strong industry input adds confidence to new civil infrastructure programmes**

Over the past 18 months, Te Pūkenga has developed two new programmes: New Zealand Certificate in Infrastructure Works Level 2, and New Zealand Certificate in Infrastructure Works Level 3. These programmes are designed to provide ākonga with the skills required for entry-level employment in various infrastructure areas such as civil works, pipeline construction and maintenance, water reticulation, forestry earthworks, and piling.

The development of these programmes involved strong input from industry experts, ensuring that they are well-designed and fit-for-purpose for learners and industry.

Graeme Couper, Downer NZ’s Training and Development Manager, said it were great that industry input and feedback was listened to and changes were made during the review process based on that industry view. This development approach provided industry with confidence the main objective had been met and the programmes were fit for purpose.

The project was initiated in response to a research report released by Civil Contractors New Zealand in 2022 highlighting the future need for coordinated entry into the civil infrastructure industry. The objective of the project was to collaborate with the industry to create a clear pathway into the civil infrastructure industry and establish a single, integrated national offering that is accessible and attractive to priority learners. This would help scale up the civil construction workforce.

In December 2023, the New Zealand Qualifications Authority approved the two study programmes.

The programmes will launch in early 2024 in five business divisions: Connexis, UCOL, WIT, EIT, and TPP. The project was initiated and led in partnership with Connexis and the team included work-based and campus-based kaimahi, industry members and Waihanga Ara Rau Workforce Development Council.

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.

Ako Framework / Te Kawa Maiorooro
Te Pūkenga Educational Regulatory Framework, Te Kawa Maiorooro, was approved in December 2022 and became effective on 1 January 2023. The framework provides a platform for local processes to continue while ensuring the quality and integrity of education delivery across New Zealand. It also allows for regional flexibility.

To ensure fairness and consistency of practice and application across the network, Te Pūkenga Quality team conducts ongoing monitoring, supported by business division quality teams working collaboratively in their regions and nationally through the Educational Quality Forum.

In addition to the Educational Quality Forum, other communities of practice, such as the Enrolment and Graduation Managers groups, have been established or have continued. These communities of practice provide forums for discussions around implementing Te Kawa Maiorooro, enable and share best practices, find solutions to issues, and support the ongoing development of unified policies and processes.

Programme unification
In 2021/2022, Te Pūkenga unified 30 percent of all programmes. Whilst unification was paused in early 2023 to enable planning for accelerated unification – a new approach – previously unified programmes were delivered for the first time in 2023. Unified programme areas include Agribusiness Management, Animal and Veterinary Technology, Apiculture, Applied Science, Barbering, Business, Construction, Forestry, Hospitality and Tourism, Hairdressing, Massage and Real Estate.

Programme unification is through one of two pathways:

- Transition – all business divisions move to a 'best of breed' existing programme
- Transformation – all business divisions move to a new, replacement programme.

Programme unification was prioritised to ensure maximum benefit realisation as early as possible whilst balancing cost. This has led us to focus on the 200 programmes which contribute approximately 80 percent of total delivery volume (49 percent are at NZQF Levels 1 – 6, and 50 percent at Level 7 or above).

To support better pathways for ākonga through industry qualifications at Levels 1 – 6 of the New Zealand Qualifications Framework (NZQF), Te Pūkenga worked closely with Workforce Development Councils (WDCs) and Regional Skills Leadership Groups (RSLGs) to share data intelligence and insights. A key objective was managing pathways between Level 5-6 qualifications and Level 7 and above qualifications so ākonga can readily progress from vocational to degree-level study.

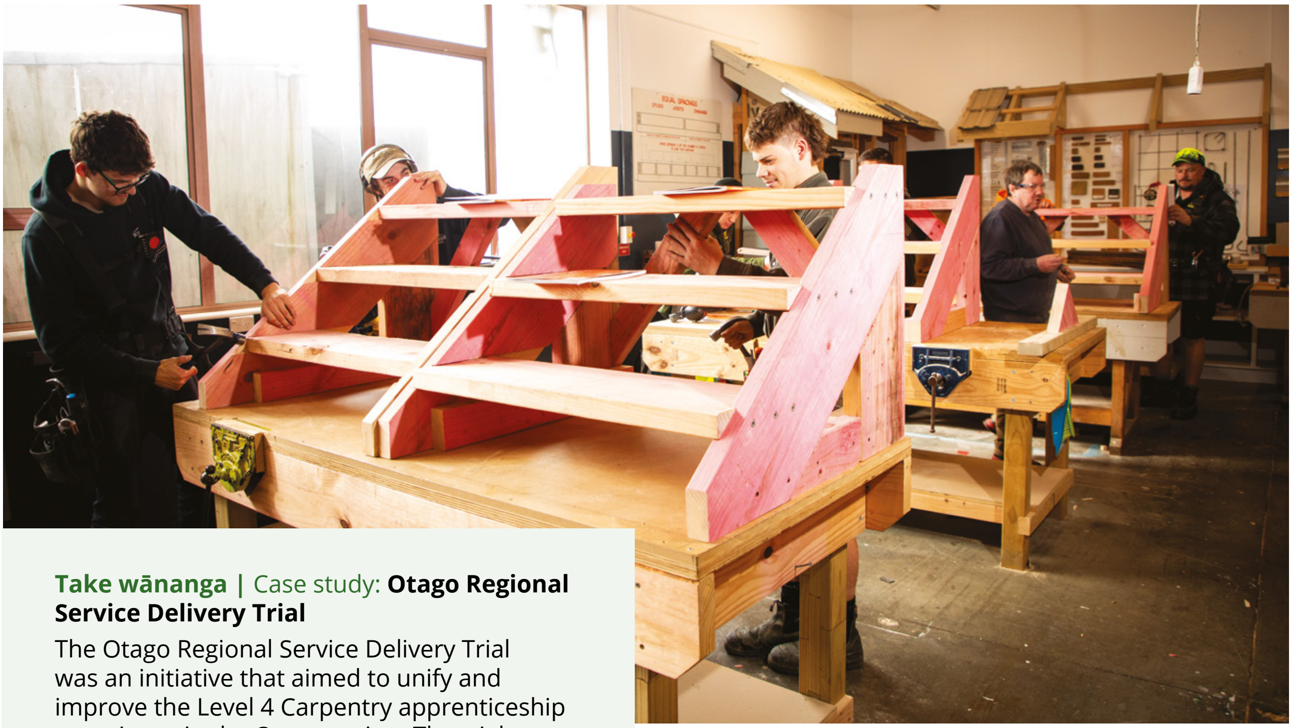
International education
In August 2023, a collaboration agreement was signed at Parliament between Te Pūkenga and China. The Memorandum of Arrangement marked a commitment from China to work with Te Pūkenga to enhance vocational training and spans key dimensions such as talent cultivation, cross credits, student exchanges and academic visits.

Across Te Pūkenga network, business divisions held 66 active partnerships with education providers in China. These included Shenyang Jianzhu University and Ara; Jinhua Polytechnic and Wintec; Hunan University of Technology and NMIT; Qi Lu University of Technology and EIT; Yiwu Industrial and Commercial College and NorthTec; Shandong University of Finance and Economics and Unitec.

It represents a shift from a competition model between ITP subsidiaries for international students to one of collaboration and with a single brand. To remove competition from fee differentiation, in 2023, consistent international pricing (including international fees and scholarships or discounts) was set up.

International education is designed to share New Zealand's unique bicultural nation with others – and give our people the opportunity to experience theirs. This agreement ensures that the collaborative efforts between Te Pūkenga and China result in tangible benefits for students, fostering a dynamic and globally aware educational experience.

International IT partners
Te Pūkenga forged collaborations with international IT partners including Apple, Microsoft and Amazon Web Services (AWS). This resulted in the creation of innovative career pathways through micro-credentials and providing internship opportunities with local IT businesses. These initiatives not only facilitate the entry of ākonga into cybersecurity careers but also focus on upskilling and professional development for kaiako and school communities in digital technologies.



Take wānanga | Case study: **Otago Regional Service Delivery Trial**

The Otago Regional Service Delivery Trial was an initiative that aimed to unify and improve the Level 4 Carpentry apprenticeship experience in the Otago region. The trial brought together three formerly competing vocational education and training (VET) providers in the Otago region, Otago Polytechnic, Southland Institute of Technology and BCITO, to work collaboratively. It was funded by the Tertiary Education Commission under its Strategic Component Funding for vocational education. The trial lasted from March 2022 to June 2023 and involved approximately 100 carpentry apprentices from the region.

The main objective of the trial was to capture learnings that could be applied nationally and to offer a unified, comprehensive, and coherent experience for the apprentices and their employers. All three programmes relied on on-the-job teaching and assessment led by the employer. BCITO's programme was fully on-the-job teaching and assessment, while Otago Polytechnic's and SIT's programmes offered on-campus training for some teaching and assessment.

The collaboration adopted the best elements of each programme and delivered a range of benefits. The sharing and adoption of BCITO's learning resources were augmented by the offering of night classes and on-campus day release classes by Otago Polytechnic and SIT. At the end of the trial, surveyed employers reported that their carpentry apprentices were more productive, knowledgeable, confident, and engaged at work. The trial produced valuable learnings and sparked several initiatives to better support ākonga and employers in delivering stronger learning outcomes.

Take wānanga | Case study: **EV programme in hot demand**

The number of electric vehicles (EVs) in New Zealand has grown exponentially in recent years. Lower prices, government rebates and increased choice of models have all contributed to this growth. As at December 2023, there were more than 73,000 fully electric light vehicles and a further 30,000 plug-in hybrid vehicles.

At the same time, there has been a surge in demand from mechanics, auto-electricians and electrical engineers for the Level 5 New Zealand Certificate in Electric Vehicles.

To meet the increasing demand for this qualification, Te Pūkenga worked towards unifying and expanding its delivery in the latter months of 2023. Our EV project has brought together all parts of Te Pūkenga network to provide a nationally consistent programme that offers enough flexibility for learners to join at any time of the year and choose their own pathway through the qualification.

The programme consists of four modules that are related to each other but can also stand alone. Learners engage and share their experiences online with a tutor who encourages them to research their diagnosis of vehicle faults and present them to the group, creating a community of knowledge.

This programme has been successfully implemented in the regions for some time and was to be launched as a national online programme from early 2024.

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

Industries and employers are key partners for Te Pūkenga. Our commitment to meeting regional needs through strategic partnerships, innovative training approaches, and employer engagement continued in 2023. We have been dedicated to adapting and evolving to support the workforce and communities.

Employment engagement and training support

Throughout 2023, Te Pūkenga worked with over 26,500 employers, ensuring the availability of workplaces for on-the-job training. Some examples are outlined below.

Te Whatu Ora
We worked closely with Te Whatu Ora to grow our shared training across the health workforce at the local and regional levels and target specific support to address their workforce plan priorities. Our partnership focused on better aligning our regional delivery of healthcare programmes to meet the significant skills shortages across a wide range of clinical and associated healthcare roles, including occupational therapy, nursing, healthcare assistants, dental assistants, physiotherapy, and medical imaging. We are also working jointly on a study to understand and address the high student nursing attrition during the Bachelor of Nursing programme.

New Zealand Defence Force
Our partnership with the New Zealand Defence Force (NZDF) has enabled us to work on our training and workforce strategy, resulting in innovative new ways of delivering our programmes that are better aligned with the new training methods being implemented by the NZDF.

Ara Poutama Aotearoa Department of Corrections
The agreement with the Department of Corrections, initiated in December 2022, saw an increase in programme delivery across correctional sites, focused on ensuring prison education officers have assessor training. We began to build a staff training portfolio in professional development (e.g. healthcare, counselling, conflict resolution) and delivery of prison officer training at Levels 4 – 6 in 2024.

Fire and Emergency New Zealand
Te Pūkenga initiated a new partnership with Fire and Emergency New Zealand to enhance the training of volunteer and career kaitinei ahi (firefighters) and

Take wānanga | Case study: **Partnership with Air New Zealand for apprenticeship programmes**

An agreement between Air New Zealand and NMIT | Te Pūkenga to address the need for aviation engineering skills has opened new pathways for ākonga in the Marlborough region and beyond.

Discussion between Air New Zealand and NMIT began through their membership of Ringa Hora (Services) Workforce Development Council and via Marlborough's Regional Skills Leadership Group, Marlborough District Council and stakeholders who have prioritised aviation as a regional focus.

The first outcome of the agreement saw Level 3 and Level 4 New Zealand Certificate of Aeronautical Engineering introduced at NMIT, along with the sharing of resources and expertise. These certificates provide a foundation for trainees to move into Air New Zealand's apprenticeship programmes.

In their second year of the aeronautical engineering programme, ākonga must complete a minimum of 250 hours work experience. For the first time, two students were able to undertake their work-based training at Air New Zealand's workshops in Auckland.

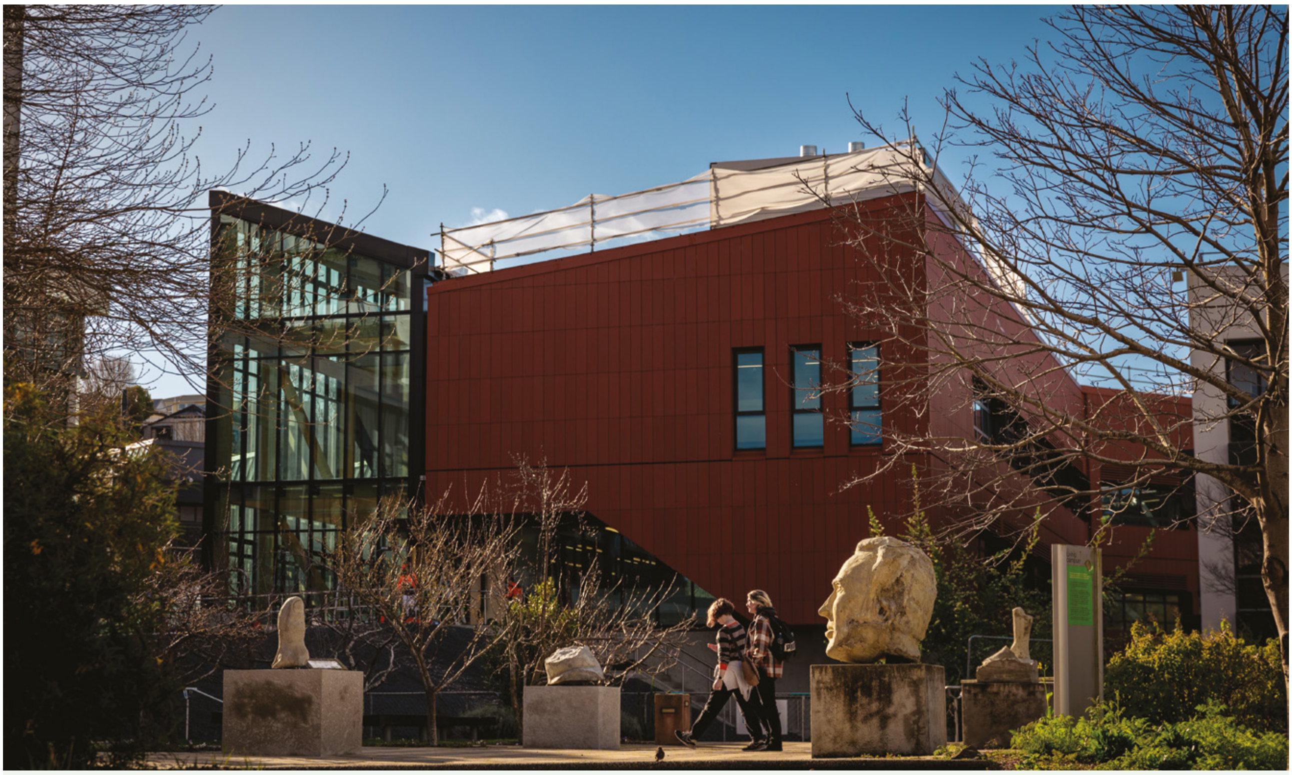
Ākonga on the Level 4 New Zealand Certificate in Aeronautical Engineering can also apply for an Air New Zealand traineeship. This provides them the industry experience required to move into an aircraft engineer role.

All seven NMIT ākonga who applied were offered a place with Air New Zealand in 2023.

communication centre workers. This collaboration included the development of micro-credential learning, catering to the evolving needs of emergency response personnel.

Health infrastructure opportunities
A number of regions have major investments in health infrastructure including new hospital build projects in Dunedin, New Plymouth and Whangarei. In those regions, Te Pūkenga delivery sites have actively identified potential education delivery opportunities in construction, infrastructure and design. For example, the collaboration with relevant government agencies positions WITT | Te Pūkenga as a key player in employment and work-based training coordination for the Taranaki Base Hospital build project.

Working across the vocational sector
Ongoing alignment of our Ako Networks with Workforce Development Councils and Regional Skills Leadership Groups, along with our collaboration with industry partners, is ensuring that employer needs are integrated in the wider programme unification work across the network.



Take wānanga | Case study: **Otago Regional Service Delivery Trial**

He Toki Kai Te Rika carving the future of Ōtākou | Otago

A multimillion-dollar training centre in Dunedin, opened in September 2023, is responding to regional demand for skilled tradespeople and engineers.

With $23 billion worth of major infrastructure projects in the pipeline for the region, including the new Dunedin Hospital build, the skills taught at He Toki Kai Te Rika are already in high demand.

He Toki Kai Te Rika translates as 'a tool for the hand' and offers an outstanding environment for both work-based and on-campus ākonga at Otago Polytechnic | Te Pūkenga. The complex features a variety of equipment and shared spaces to enhance the skills and experience of ākonga, allowing for connection with kaiako and industry.

The facility is delivering degree and certificate programmes in civil, mechanical and electrical engineering, quantity surveying, New Zealand Diploma in Construction, as well as welding night classes and block courses for apprentices.

The name, He Toki Kai Te Rika, enshrines the find of three adze blades and a pounamu chisel at the polytechnic's Harbour Terrace site when the campus was developed in the mid-1980s.

The development was completed with help from a $28 million investment through the Government's Infrastructure Reference Group Fund for 'shovel-ready' projects in 2020.

He Toki Kai Te Rika is the place where we will nurture those who, in carving out their own futures, will also carve out the future of Ōtākou | Otago.

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

In April and June, Regional Executive Directors were appointed to oversee regional delivery and maintain our relationships with Regional Skills Leadership Groups (RSLGs). Additionally, eight National Ako Network Directors were appointed to manage relationships that support the delivery of vocational and on-the-job training in their respective domains. Three enabling business groups were also confirmed at the national level: Digital; Finance and Property; and People, Culture and Wellbeing.

Tāraia te anamata | Creating our Futures
In June, a five-week consultation with over 10,000 kaimahi and unions began on Tāraia te anamata | Creating our Futures for the national structures for the five remaining business groups: Academic Centre and Learning Systems; Ako Delivery; Learner and Employer Engagement and Attraction; Tiriti Outcomes; and Office of the Chief Executive. More than 8,300 pieces of feedback were received.

Following consideration of this feedback and a substantial refinement of the change proposals, on 20 September the confirmed operating structure for approximately 90 percent of the organisation was announced.

Senior roles (Director/Tier 3 level) were established and recruited for in the Office of the Chief Executive (OCE), Academic Centre and Learning Systems (ACLS), Ako Delivery, and Learner and Employer Experience and Attraction (LEEA) in consultations before Tāraia Te Anamata – Creating our Futures consultation process. After decisions were shared, recruitment for new roles in these teams began promptly.

Following consultation and decisions for Tāraia te anamata | Creating our Futures, 401 roles were confirmed to be disestablished, and 602 roles were created.

After receiving the Minister's Letter of Expectations in December, all recruitment for the 602 new roles was halted. At that time, 900 kaimahi had applied for a role/s and approximately 40 people had accepted a role in the new structure. As at 31 December, five kaimahi were unable to find suitable redeployment opportunities and their redundancy was confirmed.

Work-based learning
Service delivery trials continued on work-based learning combined with campus-based learning and delivery programmes, adopting collaboration to enable the best possible experience for learners and employers.

The Otago Regional Service Delivery Carpentry Trial brought together carpentry professionals from former ITPs and ITOs across Otago and Southland to offer shared learning experiences and resources for apprentices. The feedback from employers, industry experts, and learners about the learning opportunities provided through this trial was overwhelmingly positive.

The Digital Apprenticeship service delivery trial involved collaboration between campus divisions and MITO | Te Pūkenga to develop a work-based learning programme that leads to the New Zealand Diploma in Information Technology Technical Support (Level 5) Ref: 2596. As part of this trial, Te Pūkenga worked with Toi Mai WDC to create skills standards for the WBL programme. NZQA is currently reviewing these skills standards, and once approved the new programme will be submitted for final approval.

As part of the Civil Infrastructure service delivery trial, pathways for civil specialisations have been made easier and stronger. Connexis and campus divisions worked together to create a single Level 2 programme and a single Level 3 programme for Civil Infrastructure Works, which can be taught on campus or in the workplace. This simplification means there are now more options and support available for learners and employers across the network.

Regional delivery
Despite the challenges faced by the EIT after Cyclone Gabrielle hit in February, the institute achieved impressive growth rates of 9.5 percent in their Trades Academy and 24 percent in Māori and Pasifika Trades Training (MPTT). EIT also welcomed almost 200 additional Adult and Community Education (ACE) students and brought international enrolments back to pre-COVID-19 levels, with an increase of 500 enrolments on 2022.

In February 2023, NorthTec celebrated the opening of their new Ngāwhā Campus. Based in the Ngāwhā Innovation and Enterprise Park, the campus offers a more diverse range of learning options to the mid-North community. With purpose-built, modern learning facilities, the campus provides automotive, carpentry, and engineering bays. In addition, NorthTec unveiled a new barbery studio at the Whangārei campus to host its very first class of the New Zealand Certificate in Commercial Barbering. Within weeks of its launch, the course was fully subscribed, with a waitlist of people wishing to enrol.

Wintec launched a new cultural competency and capability framework, Whakatupu Kaiako, Whakatupu Tāngata, to guide kaiako and kaimahi through a cycle of ongoing professional growth and development. The framework guides kaimahi to confidently respond to the needs of Te Tiriti partners, priority ākonga, whānau, hapū, and iwi. In addition, Wintec celebrated the outstanding achievements of their Bachelor of Midwifery program in 2023. Not only did they achieve a 100% pass rate in the 2023 national exam, but all newly registered midwives have gained employment within the sector across Aotearoa.

In June, Pūkenga Rau — a new purpose-built trades training centre at Toi Ohomai — was opened in partnership with the South Waikato Investment Fund Trust (SWIFT). The new $14 million trades training centre caters to key local sectors, including farming, engineering, construction, manufacturing, and logistics, providing growth and investment in the South Waikato.

A joint initiative by UCOL Te Pūkenga and Te Whatu Ora Te Pae Hauora o Ruahine o Tararua | MidCentral has resulted in the country's first Rainbow Nursing Scholarship. The $1500 cash scholarship has been set up to support nursing ākonga who are part of the LGBTQI+ community and need support with course-related costs or financial help during a nursing placement. Applications for the scholarship opened in November.

In early 2023, Unitec completed its redevelopment of Building 108, providing modern facilities for the Schools of Architecture, Computing and Electrical Engineering, Trades, and Creative Industries. For the School of Creative Industries this is a new, purpose-built, industry-standard facility, including a collaborative art gallery, a film studio and an editing suite. These spaces give ākonga the ability to build sets, act, and film screen content in a professional studio environment, giving learners easy access to facilities similar to those used in industry-standard post-production.

In addition, Unitec scored its highest-ever result in the Student Net Promoter Score (NPS), its key indicator of student engagement and satisfaction. For Semester 2, 2023, it scored +57 for new students and +37 for returning students. Matching the increased NPS, satisfaction across almost every measured aspect also significantly improved, especially the quality of teaching and ease of getting help and support.

With the support of MIT, a partnership to support more Māori and Pasifika into healthcare careers in Counties Manukau made strong progress during the year. Te Ara Oranga: Pathways to Wellbeing project is delivered through a partnership between MIT and Te Whatu Ora – Counties Manukau with major funding from Health Workforce New Zealand.

Since its launch in 2019, 350 new staff have earned qualifications through the scheme. Of the students registered with the project, 25.5% are Māori and 65.8% Pasifika, while the remainder are individuals from outside these groups who have demonstrated their passion for working to support better outcomes for traditionally underserved communities. Strong progress was made in this course, with a 64% increase in enrolled students and a 53% increase in qualified students since February 2022.

In July, the construction of the Ara | Te Pūkenga Engineering Workshop began in Timaru. The new building will allow Ara to expand its training options and provide more space for learning. It will also have the flexibility to replace equipment in the future to meet the changing needs of the industry. The building will cover an area of approximately 800sqm and replace the current facility, which dates to the 1960s. The new facility will provide modern, fit-for-purpose learning facilities for students at a local level. The project is expected to be completed by mid-2024 and is currently on schedule.

Managing organisational health and capability
We learned through Te Rito that students' needs are best met when they see themselves represented in our kaimahi and when they feel safe in their learning environment, both physically and culturally. As we redesigned our organisation this year, we made sure that all new role profiles were aligned with our equity goals and commitments. We also established a dedicated team for equity and inclusion within the People, Culture and Wellbeing group to focus on improving equity for our staff through changes to key people processes.

In 2023, we made significant improvements to the wellbeing and safety function, building collaboration within the team and developing knowledge of tools such as SafePlus and cultural intelligence. We also demonstrated strong coordination and cohesion in our response to serious events such as Cyclone Gabrielle.

Equal employment opportunities programme
Progress in improving our equal employment opportunities programme was made in 2023 following the establishment of a new national People, Culture and Wellbeing team, enabling us to streamline policies and processes and to share best practices.

A new equity and inclusion specialist team was created within the People, Culture and Wellbeing structure — part of the Organisation Development and Equity Directorate. The aim of this team was to drive process improvements that ensure equal outcomes for all employees, especially Māori, Pacific, and disabled employees. An example was the launch of equity wānanga for recruiters. These sessions helped equip our People, Culture and Wellbeing team and hiring managers with an understanding of bias and the skills to support a recruitment process that is accessible to all kaimahi.

Financial performance
In 2023, we continued to implement a range of measures to address financial performance. This included a Financial Monitoring Framework for both financial viability (shorter-term financial performance and the ability to meet financial obligations) and financial sustainability (a longer-term view of the organisation's financial performance, position, and cost structures).

Improvement measures included:

- immediate cost-control measures including vacancy management, lease reduction, property sales and programme rationalisation
- revenue maximisation (short and medium-term)
- cost containment (short and medium-term)
- asset realisation and balance sheet rationalisation (medium-term) and new initiatives (medium-term).

- While there was a $183M shortfall in group revenue against the budget, expenditure reduced by a corresponding $172M over the year, delivering a $11M negative variance to budget.

2023 Expenditure includes the impact of EIT impairments, unbudgeted make-good costs for SIT Queenstown and Regent Street in Wellington and higher than anticipated programme-related impairments for OPNZ.

Capital asset strategy and network stabilisation
Property programmes were established with a five-year plan. Improvement projects are outlined below.

- A Capital Asset Management (CAM) capability assessment with an external assessment and improvement plan was completed.
- A programme of works is in the design and delivery stage. High-priority building remediations are prioritised, including completion of New Plymouth WITT M block reroofing and four Unitec building demolitions due to asbestos. Three further reroofing projects are in progress.
- The seismic strategy and policy have been implemented and all short-term priorities identified and progressed.
- Several major capital projects are completed or are near completion. These include the Otago Trades Centre He Toki Kai Te Rika and the Unitec B108 Trades and Creative Industries Building. The Timaru Trades Centre will be ready for teaching and learning in Semester 2 2024.
- EIT Hawke's Bay campus cyclone flood remediation continues. As of mid-2023, one-third of the campus was operational with 82 percent ready for term 1 of 2024, including 76 buildings, cleaned, remediated and open for use. Around 549,500 kgs of silt was removed.
- Lease consolidation across the network resulted in $2 million savings for 2023. Property disposals resulted in $8 million savings for 2023.

Governance and accountability
Te Pūkenga Council and its committees were supported in their governance role through the establishment of national teams for Council Secretariat, Strategy and Performance, Legal, and Risk and Assurance.

This resulted in the progression of various foundational systems and processes, including the development of national policies, a single delegations of authority register, statutory planning and reporting (such as an Investment Plan and Statement of Performance Expectations), and performance and risk monitoring and reporting processes. Enhancements were also made to ensure that the Council's workplan and meeting processes were appropriately governance-focused and aligned with good practice.

In 2023, the first year of delivery of a nationally focused internal audit programme took place.

Relationships and communication channels with the Minister and Tertiary Education Commission were also streamlined and continue to develop with the recent establishment of the Government Relations directorate.

Te Tauākī o Ngā Whāinga Matua a Te Pūkenga | Te Pūkenga Statement of Intent Objectives

Te Pūkenga Transitional Statement of Intent 2021 – 2024 includes the organisational strategic intentions as developed in 2020. Final progress and achievement reporting in relation to these are presented below.

Consequent to notification of the intention to disestablish Te Pūkenga, under section 139B (3) of the Crown Entities Act 2024 the Minister for Tertiary Education and Skills has waived the requirement for Te Pūkenga to have a Statement of Intent in place for 2024 - 2027.

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	Achieved. Māori advisory committee (Komiti Māori) established in 2021 Examples of key activity in 2023: • Appointment of the four Tiriti Regional Executive Directors that included leading Te Tiriti partnering regionally as part of their responsibilities. • Establishment of Te Tiriti Partnerships Steering Committee to oversee partner projects and direct and monitor an integrated national partnerships approach. • Completion of Te Tiriti Partnership Current State Report, identifying all Te Tiriti partnerships across Te Pūkenga network. • Scoping and negotiation of Te Tiriti Partnership innovation and development projects. • Māori leadership continued to be represented through Kōmiti Māori and at Te Pūkenga Council with Teorongonui Josie Keelan.
Reducing disparity of course completion at levels 4-7 and 7-10 for SAC funded Māori and Pacific learners	Achieved. Performance against this objective is reported in the SSP section via E*quity in course completion* measures (page 46)

Ākonga at the centre

Objective	Progress
Increasing percentage (or number) of subsidiaries that have adopted the Learner Success Framework	Achieved. Learner Success Framework was adopted across all business divisions in 2022.
Learner-centred design working groups mobilised	Achieved. Learner-centred design working groups were mobilised in 2022 and in 2023 mahi continued to ensure learner representation and the voice of ākonga Māori is heard to better meet the needs of learners.
Learner committee formed and representative to Council elected	Achieved in 2021, with a Learner Representative retained on Council throughout 2023.

Ākonga at the centre

Statutory statements

Objective	Progress
The extent to which the Council has eliminated unnecessary barriers to the progress of students	Examples of key initiatives in 2023: • Te Pūkenga Manaaki Fund reduced the barrier of unexpected hardship that ākonga can face while studying and training. During Quarter 1 and Quarter 2, a centralised emergency response provided $680,000 in financial support to 1,700 ākonga impacted by the extreme weather events of Cyclone Gabrielle and the Auckland floods. • Quarter 3 and Quarter 4 focused on the allocation of $4 million in Manaaki funding to 18 business divisions. Between July and October, over $2.4 million was spent providing financial support to over 5,800 learners. Intentional focus on our priority learners is evidenced, with 37% Māori, 17% Pacific and 12% learners with disabilities receiving funding. Transport (25%) and food (19%) made up the bulk of hardship support, followed by housing (16%), utilities (16%), and then medical, clothing, childcare and other support. • In partnership with Te Whatu Ora, invested over $4.6 million to deliver new and enhanced mental health and addiction services and initiatives for our ākonga, including delivery of a variety of mental health services, on-site and remotely, including Kaupapa Māori and Pacific wānanga. • More than 6,500 ākonga accessed enhanced mental health services offered through a partnership with Te Whatu Ora, with over 14,959 sessions provided. There was a consistently positive uptake of services by ākonga Māori (27%) and Pacific learners (13%) for Te Whatu Ora funded primary mental health services. • Implemented Te Kawa Maiorooro on 1 January 2023 providing a regulatory framework governing all learning and delivery at Te Pūkenga. • Te Pūkenga central quality team, supported by business division quality teams, worked collaboratively, both nationally and within regions through the Educational Quality Forum to ensure equitable application and practice across the network. • Established unified entry requirements by level for unified programmes to ensure entry requirements and selection criteria did not create barriers and to provide for equitable access for priority learners. Performance and commentary against this objective is reported in the SSP section via Equity in course completion (page 46)
The extent to which the Council has avoided the creation of unnecessary barriers to the progress of students.	Examples of key initiatives in 2023 include: • Implementation of the first network Learner Success Plan (LSP) and National Disability Action Plan (NDAP) to increase access, participation, perseverance and move towards parity of outcomes in credit, course, programme, and qualification completions. This was done through increasing relevance of provision, the responsiveness of our practices, and enabling ākonga wellbeing. • Te Rito Insights Research completed in 2021 informed the development of the 2023 Learner Success Plan which identifies delivery opportunities and initiatives to enhance Māori, Pacific and disabled achievement. • The LSP and NDAP enabled a range of projects to give effect to the Equity and Ākonga Success Strategy, including expanded mental health and wellbeing services, capability building and accessibility.

Ākonga at the centre

Statutory statements

Objective	Progress
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.	Examples of initiatives to support and attract underserved communities in 2023 include: • Two wananga were held in 2023 as part of the National Disability Action Plan, with a view to further strengthening the relationship with disabled communities. These resulted in the formation of the Disabled Ākonga Reference Group and partnership with the National Disabled Student Association. In addition, disability confidence and neurodiversity training was further expanded across the network, with 200 ITO and campus-based kaimahi participating, with very strong positive feedback. • The National Tuākana Teina Programme, peer mentoring and whanaungatanga for ākonga reached over 4,000 learners and was designed to create a sense of belonging and connection for ākonga and providing peer mentoring and whānau engagement. Performance and commentary against this objective is reported in the SSP section via Participation - proportion of learners in priority groups (page 46).

Academic Delivery and Innovation	
Objective	**Progress**
Increasing number of discipline areas where high-quality standardised education and training programmes are adopted across the network	Achieved. Examples of key activity in 2023: • The remaining Level 1 – 6 unification mahi that began development in 2022 was completed in early 2023. • A cohort of 42 Level 1 – 6 unified programmes began delivery in 2023, with two other programmes having Type 2 changes to add new strands for delivery. A further 21 unified programmes are planned to start in 2024. • The unified programmes brought together kaimahi from across all ITP business divisions. Benefits realised through this mahi include the sharing of resources, knowledge, skills and expertise. • A project has also been undertaken to develop a transformative programme for the Sport, Recreation and Exercise suite of programmes by using an equity-driven co-design approach. This programme includes two level 5 programmes and a level 6 programme, which are embedded within a degree pathway. • This project has seen the early engagement of industry, ākonga and kaimahi in a co-design process that has sought to create equity and to honour Te Tiriti o Waitangi. Māori leadership and participation has been an integral part of this development. • Over 400 people have been invited to participate in the process, with more than 200 actively engaging. This includes ākonga, industry, services users and Te Pūkenga kaimahi.
Establish and mobilise discipline forums	Achieved. Working groups were mobilised for each new unified programme delivered in 2023 or due for delivery in 2024. These groups were headed by kaiako who established mana through the programme development phase and were supported by IT and learning and teaching resources from throughout the network. Groups are being extended to include all kaiako delivering in a particular discipline, thereby forming discipline forums.

Employer Aligned	
Objective	**Progress**
Increasing number of employers engaged with Te Pūkenga programmes	Not Achieved Performance and commentary against this objective is reported in the SSP section via *Number of employers entering training agreements* (page 51)

Operating Model	
Objective	**Progress**
Operating model designed and agreed by Te Pūkenga Council by 31 December	Achieved in 2022.
TITO and work-based learning	
Number of transition plans agreed	All TITO transition plans were agreed in 2022.
Increasing number of apprentices and trainees engaged in on-job training	Not Achieved. Performance and commentary against this objective is reported in the SSP section via *Performance against mix of provision targets - Industry training* (page 49)
Managing organisational health and capability	
Summary of equal employment opportunities programme for 2023	• In 2023 we further advanced our equal employment opportunities programme with the creation of a new national People, Culture and Wellbeing team to streamline policies and processes and share learning and good practice. • A new equity and inclusion specialist team was created within the People, Culture and Wellbeing structure. Positioned within the Organisation Development and Equity Directorate, this function seeks to drive process improvements which support equitable outcomes for kaimahi, with a focus on kaimahi Māori, Pacific kaimahi and disabled kaimahi. • Launch of equity wānanga for recruiters to equip our People, Culture and Wellbeing team and hiring managers with an awareness of bias and skills to support accessible recruitment process for all kaimahi.
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	• Equity and inclusion team created within People, Culture and Wellbeing. • Incorporation of our key values behaviours into all new role profiles. • A 'Welcome to Te Pūkenga' module created, which included a 'belonging' section dedicated to diversity, equity and inclusion. • Recruitment workshops, including kaimahi Māori and Pacific kaimahi recruitment workshops. • Support sessions offered for People, Culture and Wellbeing to meet needs of disabled kaimahi. • Equity in recruitment wānanga for hiring managers. • Initial equity and inclusion guidance for policy and procedure review and development. • Equity and inclusion support for project teams across People, Culture and Wellbeing. • Several key capability programmes in 2023, including Whakatūpato, a cultural intelligence and cultural safety programme for all kaimahi. • Support for good practice in organisation design with the establishment of a Tiriti and equity workstream within the Organisation Design and Change Programme team.

Network collaboration	
Percentage of internal stakeholders who agree that Te Pūkenga is operating as a single entity	Performance and commentary against this objective is reported in the SSP section via *Staff Engagement Score* (page 53)
Percentage of external stakeholders who agree that Te Pūkenga is operating as a single entity	Performance and commentary against this objective is reported in the SSP section via *Partner and Stakeholder Satisfaction* (page 51)
New international strategy developed	Achieved in 2022.
Governance and accountability	
All legislative requirements met	Achieved. The annual review has confirmed that Te Pūkenga operated substantially in compliance with all legislative requirements. Any non-compliance has been reported to Council and is being addressed internally.
External review of effectiveness of Council completed	Achieved. External governance review completed in April 2022. All operational recommendations have been implemented.
Capital asset strategy and network stabilisation	
Capital asset management strategy is developed by 31 December 2021	Achieved in 2021. The strategy was approved by Council in May 2021. Property programmes have been formed and support the organisation with a five-year plan in place. Improvement projects are being implemented as outlined below. • A Capital Asset Management (CAM) capability assessment with an external assessment and improvement plan was completed. • A programme of works is in the design and delivery stage. High priority building remediations are prioritised, including completion of New Plymouth WITT M block reroofing and four Unitec building demolitions due to asbestos. Three further reroofing projects are in progress. • The seismic strategy and policy have been implemented and all short-term priorities identified and progressed. • Several major capital projects ae completed or are near completion. These include the Otago Trades Centre He Toki Kai Te Rika and the Unitec B108 Trades and Creative Industries Building. The Timaru Trades Centre will be ready for teaching and learning in Semester 2 2024. • EIT Hawke's Bay campus cyclone flood remediation continues. As of mid-2023, one third of the campus was operational with 82 percent ready for Term 1 of 2024, including 76 buildings cleaned, remediated and open for use. Around 549,500 kgs of silt was removed. • Lease consolidation across the network resulted in $2 million savings for 2023. • Property disposals resulted in $8 million savings for 2023.

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

On December 6, 2023, in accordance with the Carbon Neutral Government Programme's (CNGP) requirement, Te Pūkenga released its first Greenhouse Gas (GHG) Emissions Inventory Report for the calendar year January 1 to December 31 2022.

2022 was our base year for emissions calculations, and the baseline emission figures were finalised and verified towards the end of 2023. Therefore, there were no emission reduction targets for 2022 and 2023.

Te Pūkenga GHG emissions for 2022 were 23,697 tonnes of carbon dioxide equivalent (tCO2-e).

Table: Te Pūkenga GHG emissions for 2022 by category

Emissions	tCO2-e
Category 1 – Direct	8,823
Category 2 – Indirect energy	7,355
Category 3 – Indirect transport	**3,508**
Category 4 – Indirect products/services	4,011
Total	**23,697**

Table 2: Emissions by activity

Scope	Emissions Source	Emissions - tCO2-e	Accuracy
Scope 1	Stationary combustion - Natural gas	2,139	High
Scope 1	Stationary combustion - LPG	710	High
Scope 1	Stationary combustion - Coal	449	High
Scope 1	Stationary combustion - Diesel	459	High
Scope 2	Stationary combustion - Biomass	31	High
Scope 1	Transport fuels - Vehicle Fleet	4,662	High
Scope 1	Refrigerants, medical and other gases	372	High
Scope 2	Electricity	7,355	High
Scope 3 Mandatory	Flights	2,982	High
Scope 3 Mandatory	Accommodation	149	Medium
Scope 3 Mandatory	Rental Cars	41	Medium
Scope 3 Mandatory	Taxis	117	Medium
Scope 3 Mandatory	Mileage Claims	153	Medium
Scope 3 Mandatory	Employee Work from Home	66	Medium
Scope 3 Mandatory	Transmission and distributions losses (electricity)	674	High
Scope 3 Mandatory	Transmission and distributions losses (natural gas)	127	High
Scope 3 Additional	Paper	276	High
Scope 3 Mandatory	Waste to landfill	2,047	Medium
Scope 3 Mandatory	Water	64	Low
Scope 3 Mandatory	Wastewater	823	Low
	Total	**23,697**	**tCO2-e**

To align with the CNGP targets, Te Pūkenga would need to achieve a 42% reduction by 2030 from its base year (2022). However, our estimations suggest that the 42% reduction pathway would require a substantial investment, posing financial risks. Consequently, in December 2023, Te Pūkenga Council approved a reduction pathway to a 35% emissions reduction by 2030. Although the 35% target does not fully align with the CNGP requirements, it still represents a meaningful reduction path. Moreover, this pathway surpasses the minimum globally accepted reduction targets aimed at limiting warming to a minimum of 2°C.

Te Pūkenga Greenhouse Gas (GHG) Emissions Inventory Report for the calendar year (1 January to 31 December) 2023 will be submitted to the CNGP and published on 1 December 2024.

Raraunga whakatutukitanga
Performance data

Tauākī tutukitanga ratonga | Statement of Service Performance 2023

In December 2023, the new coalition Government communicated that a single network of provision is no longer a government priority. Consequently, all Transformation Roadmap activities and anything inconsistent with the intention for disestablishment were ceased until a new vision and structure for vocational education and training is developed. We remain committed to and accountable for the current government directives, our Charter, and Statement of Performance Expectations commitments until these are replaced with new directives.

The functions and Charter for Te Pūkenga in 2023 are defined in the Education and Training Act 2020. Our Charter embodies principles for the way that we operate, to improve the outcomes of the vocational education and training system as a whole and create equity for ākonga Māori and communities as well as other underserved groups, including Pacific and disabled people.

The strategic direction of Te Pūkenga, as set out in governing legislation and Ministerial expectations as at the beginning of 2023, was in turn reflected in our Statement of Intent 2021-2024 (SOI) and Statement of Performance Expectations 2023 (SPE). This direction supported the then Government's goals and objectives outlined in the Tertiary Education Strategy.

To achieve the above outcomes and to improve the quality and consistency of vocational education and training in Aotearoa New Zealand, Te Pūkenga has transitioned from 16 Institutes of Technology and Polytechnics and 9 Industry Training Organisations into a single entity. By the end of 2023, we had completed the first of three long-term Roadmap Horizons (Transition) to consolidate a single network of educational delivery. This included defining the operating model and organisational structure and commencing the recruitment and restructuring processes. Our outcomes and five educational priorities as defined in our SOI and SPE gave us direction in meeting our legislative requirements and the performance measures provided below reflect that context.

Appropriation reporting

Scope of appropriation

The appropriations are limited to operating funding for establishing and supporting a single national vocational education institution.

The following table shows Te Pūkenga appropriations:

All in $000s	To 30 June 2023		To 30 June 2022	
Vocational education	**Budget**	**Actual**	**Budget**	**Actual**
Establishment of a Single National Vocational Education Institution	16,000	15,600	16,000	16,000
Total appropriation	**16,000**	**15,600**	**16,000**	**16,000**
Support for a Single National Vocational Education Institution				
Total appropriation - capital expenditure	**25,000**	**25,000**	**4,157**	**4,157**

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

	To 30 June 2023		To 30 June 2022	
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

	To 30 June 2023		To 30 June 2022	
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

Statement of the cost of outputs

The Crown Entities Act 2004 requires 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 in 2023 fall into three classes of outputs:

- education and training
- research
- transformation

Output class 1: Education and Training	**2023**		**2022**	
All in $000s	**Budget**	**Actual**	**Budget**	**Restated Actual**
Revenue	1,468,623	1,356,091	1,116,570	1,252,048
Expenditure	1,477,222	1,373,457	1,185,344	1,357,091
Surplus/ (Deficit)	**(8,599)**	**(17,366)**	**(68,774)**	**(105,043)**

Output class 2: Research	**2023**		**2022**	
All in $000s	**Budget**	**Actual**	**Budget**	**Actual**
Revenue	11,443	13,695	N/A	N/A
Expenditure	14,038	15,395	N/A	N/A
Surplus/ (Deficit)	**(2,595)**	**(1,700)**	**N/A**	**N/A**

Output class 3: Transformation	**2023**		**2022**	
All in $000s	**Budget**	**Actual**	**Budget**	**Actual**
Revenue	74,400	1,877	N/A	N/A
Expenditure	89,784	20,675	N/A	N/A
Surplus/ (Deficit)	**(15,384)**	**(18,798)**	**N/A**	**N/A**

These figures are for the period 1 January 2023 to 31 December 2023 (2022: reporting period 1 January 2022 to 31 December 2022) as reflected in the Statement of Comprehensive Revenue and Expense, page 65. Research and Transformation are new output classes in 2023, hence no 2022 comparators are available.

Non-financial performance reporting

2022 comparator data reflects previously published results where available. Where new measures or methodologies have been added in 2023, no 2022 comparator is available – see Measurement on page 57. Certain measures relate specifically to learners studying at business divisions that were formerly ITPs (provider-based) or ITOs (work-based). SAC EFTS (Student Achievement Component Equivalent Full-Time Student) relates to provider-based learners only. STM (Standard Training Measure) and ITR (Industry Training Register) funding relates to work-based learning only.

Council Priority 1: A relentless focus on equity and ensuring participation – we honour and uphold Te Tiriti o Waitangi in all we do				
Measure	2022 Actual	2023 Target	2023 Actual[3]	Commentary
Te Tiriti o Waitangi Action Plans	n/a	Each business group in new structure has action plan in place.	Not Achieved	This target was not achieved in 2023 due to the Tāraia Te Anamata – Creating our Futures process undertaken throughout the year to develop the new organisational structure for Te Pūkenga (see *Organisation structures are in place* measure below). Following extensive engagement and consultation most business groups weren't formed until the final quarter of the year. Te Tiriti o Waitangi Excellence workshops were planned with the first four business groups (OCE, PCW, Digital and Finance) in Quarter 4 to begin the action planning process. This work – in some shape or form – will continue in 2024.
Māori partner satisfaction	n/a	60%	No Result	Te Pūkenga was in the process of determining its new structure during 2023, including the formation of the four regions. Te Tiriti Partnerships Director was recruited in July. A review was conducted of the Nationwide Te Tiriti Partnerships Current State across all business divisions (including WBL) in 2023. Including Hapū, Iwi, Collectives, Māori Interest Groups and Māori businesses, 160 Te Tiriti Partnerships were identified across the country. It was too premature in 2023 to conduct a nationwide Māori partner satisfaction survey but good data and insights have been collated from the current state exercise, creating a foundation for partnering in 2024.

[3] *Educational performance and enrolment data provisional only – see Measurement on page 57*

Council Priority 1: **A relentless focus on equity and ensuring participation – we honour and uphold Te Tiriti o Waitangi in all we do**				
Measure	**2022 Actual**	**2023 Target**	**2023 Actual[3]**	**Commentary**
Participation - proportion of learners in priority groups:				
• **Māori learners**	21%	Uplift of 2% on 2022	21.3%	Whilst not achieving the degree of uplift expected for 2023, it is pleasing to see participation remaining stable in our priority ākonga groups, with slight increases in Māori and Pacific engagement. The focus to improve engagement by disabled people continues as driven by the Disability Action Plan.
• **Pacific learners**	9%	Uplift of 2% on 2022	9.5%	
• **Disabled learners**	7.1%	Uplift of 2% on 2022	6.7%	
Equity in course completion for Māori learners				
• **All levels**	-9.6%	-9%	-8.9%	This measures the 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 combined levels of study only. 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 all but one cohort. Given the trends in 2020-2022, during particularly difficult times due to COVID-19 and where inequity was widening, the results for 2023 are particularly pleasing with improvements across almost all categories. These results highlight the importance of transformational initiatives and learner hardship support, as detailed in earlier sections, aimed at improving equity for underserved learners.
• **Level 4-7 (non-degree)**	-8.7%	Disparity reducing	-8.6%	
• **Level 7 (degree) -10**	-5.4%	Disparity reducing	-4.8%	
Equity in course completion for Pacific learners				
• **All levels**	-10.7%	-10%	-9.6%	
• **Level 4-7 (non-degree)**	-13.5%	Disparity reducing	-13.5%	
• **Level 7 (degree) - 10**	-8.6%	Disparity reducing	-7.2%	
Equity in credit achievement for Māori learners	-13%	-8%	-12.4%	The 2023 Māori credit achievement disparity for Industry training was similar to 2022, while the Pacific credit achievement disparity has increased from last year. Both results are less than the targeted aspirational improvement in these metrics. Some WBL divisions have demonstrated pleasing progress (e.g. Primary ITO with Māori 10%, and Pacific 21% credit achievement higher than other learners in 2023, and MITO with 100% Māori and Pacific credit achievement). However, some divisions still have significant progress to be made, including in some of our largest priority learner cohorts. Our experience in BCITO for example indicates that a higher proportion of Māori and Pacific trainees have not achieved NCEA Level 2 or higher, and as such require greater support and take longer to achieve credits. Initiatives to enhance the support available (pastoral care, and language, literacy and numeracy) to keep these learners in training and enhance the support available will continue, but it will take time to deliver the significant improvements targeted.
Equity in credit achievement for Pacific learners	-12.8%	-11%	-15.7%	

Council Priority 2: Delivering customised learning approaches that meet the needs of learners and trainees wherever they are.				
Measure	2022 Actual	2023 Target	2023 Actual[3]	Commentary
Course completion (SAC funded):				
• **All learners**	77.2%	80.5%	79.3%	Targets for this measure were only set at the "all learners" level for each cohort. Breakdowns by level of study for each cohort are provided to show the actual results underlying the equity measures calculated above and hence have no specific target. Although no targets were set, breakdown by rohe (region) is provided for the first time in acknowledgement of the intention to disestablish Te Pūkenga in favour of regionally based institutions. Other than not quite achieving the overall course completion target, all other targets were met or exceeded in this measure category. Whilst the overall target was not met, it is still noteworthy that the result was a significant improvement from 2022. These results are pleasing and again represent the 'bounce back' trend following recent years of significant COVID-19 disruption to provider-based and work-based delivery. The learnings from those years and the ability of many support services and training advisor functions to return to 'normal' operations (or refined as per activity described in the Learner Success Plan), will hopefully result in the continued lift in learner success in the coming years.
• **Rohe 1**	n/a	n/a	82.9%	
• **Rohe 2**	n/a	n/a	81.4%	
• **Rohe 3**	n/a	n/a	75.0%	
• **Rohe 4**	n/a	n/a	84.9%	
Māori learners:				
• **All levels**	70.4%	73.0%	73.1%	
• **Level 4-7 (non-degree)**	69.5%	n/a	71.6%	
• **Level 7 (degree) - 10**	82.6%	n/a	83.8%	
Pacific learners:				
• **All levels**	69.3%	72.0%	72.4%	
• **Level 4-7 (non-degree)**	64.7%	n/a	66.7%	
• **Level 7 (degree) - 10**	79.4%	n/a	81.4%	
Non-Māori and non-Pacific:				
• **All levels**	80.0%	82.0%	82.0%	
• **Level 4-7 (non-degree)**	78.2%	n/a	80.2%	
• **Level 7 (degree) - 10**	88.0%	n/a	88.6%	
Credit achievement (ITR funded):				
• **All learners**	67.9%	69%	77.7%	Targets for this measure were only set at the "all learners" level. The 2023 overall credit achievement rate increased from 2022 and was better than the target for 2023. Among the factors contributing to this improvement were an increased focus on learner progression, right-sizing and improving the accuracy of portfolios of learners for training advisers, study nights, mentoring programmes, and a closer focus on individuals. There was a very small variance across the regions, showing that learning approaches are meeting the needs of learners equally across the country. Rohe (region) credit achievement results are presented for information only in light of the signalled intention to disestablish Te Pūkenga in favour of regionally based institutions and have no published targets for 2023.
• **Rohe 1**	n/a	n/a	75.7%	
• **Rohe 2**	n/a	n/a	80.0%	
• **Rohe 3**	n/a	n/a	78.4%	
• **Rohe 4**	n/a	n/a	77.1%	

Rohe 1: Auckland and Northland regions, Rohe 2: Bay of Plenty, Gisborne, Hawke's Bay, and Waikato, Rohe 3: Manawatu-Wanganui, Marlborough, Nelson, Taranaki, Tasman, and Wellington, Rohe 4: Canterbury, Otago, Southland, and West Coast.

Council Priority 2: **Delivering customised learning approaches that meet the needs of learners and trainees wherever they are.**				
Measure	2022 Actual	2023 Target	2023 Actual[3]	Commentary
Cohort-based programme completion (ITR funded)	61.9%	66%	59.5%	The 2023 cohort-based programme completion rate measures completion of 2018 New Zealand Apprentices, 2020 Industry Trainees at Level 4 and above, and 2021 Industry Trainees at Levels 1-3. All of these cohorts suffered disruption from COVID-19, both through interrupted employment and training and assessment disruptions, and these issues continue to be a factor in ongoing programme completion rates. Additional support and pastoral care will continue to be a focus for the organisation to enhance future programme completion rates.
Learner (ākonga) satisfaction	89.1%	3% increase on 2022	90.1%	Although not quite meeting target, the improvement in ākonga satisfaction is pleasing. It reflects that, despite the significant changes the sector was undergoing in 2023, learner experience was not negatively impacted and improved slightly on 2022. 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". Specific learner satisfaction question responses n=35,835 (Overall Survey: n=36,265; response rate for total Learner (ākonga) cohort 14.8%). Overall response rate to the Learner Survey is consistent with 2022 (14.7%). Margin of Error 0.48%, Confidence level of 95%, Nil and false rate 7.19%. Note: the total size of the cohort undertaking the surveys increased dramatically in 2023 (2023: n=245,701; 2022 n=98,384). This is due to the 2023 survey being run twice in the year to capture all learners participating in study (i.e. learners who may have started later in the year now have the opportunity to participate).
Learner (ākonga) wellbeing	88.6%	3% increase on 2022	90.4%	A new measure in our 2023 SPE reflecting responses to specific wellbeing questions added in 2022, but previously unpublished. As for ākonga satisfaction, in the face of significant change in the sector, a pleasing uplift in wellbeing is noted despite not meeting target. Total number of respondents who answered one or more of the eight wellbeing questions n=33,981. Total number of responses to one or more of the eight wellbeing questions: n=270,316. Margin of Error 0.48% Confidence level of 95%.
Learner (ākonga) retention	81.7%	3% increase on 2022	83.0%	A new measure in our 2023 SPE reflecting retention of all learners across all programmes in former ITP business divisions. 2022 result is previously unpublished and provided for comparative purposes only. A pleasing uplift is noted despite not quite meeting target. 2023 n=126,875; 2022 n=130,105.

Council Priority 3: **Using our size and scale to strengthen the quality and range of education delivery throughout Aotearoa. Excellence in educational provision for all.**				
Measure	2022 Actual	2023 Target	2023 Actual[3]	Commentary
Performance against mix of provision targets (volume of delivery)				
EFTS:				
• **Overall**	113,138	105,262	95,244	EFTS/STMs targets were set in our 2023 Investment Plan (except for breakdown by Rohe). Domestic learner numbers were a target in our 2023 SPE. Rohe EFTS totals have no published targets for 2023 and are presented for the first time for information only. No published 2022 comparators are available for SAC L7+, UFS DQ 3-7, and SAC L1&L2 as these are new funding categories under the Unified Funding System (UFS). International EFTS reflect TEC funding source *02 - International fee-paying student.* As generally observed across all tertiary education in New Zealand in 2023, Te Pūkenga also saw enrolments decrease from 2022 and decrease further than forecast. Perhaps unusually in the historic context of vocational education delivery, both provider-based and work-based enrolments declined. It is not unusual in times of high levels of employment (as in 2023) to observe a decline in provider-based enrolments, however, the targeted training and apprenticeship fund ending had a significantly greater impact on work-based enrolments than anticipated (industry training, which includes the 'other' category of previously referred to ITO off job delivery decreased by -25% and provider based by -11%). Foundational enrolments at levels one and two and youth guarantee were up on target reflecting the increasing cohort of those seeking reengagement in education. This is a unique part of Te Pūkenga portfolio and we will continue to engage with the TEC and MoE on ensuring appropriate funding and policy settings, and at the same time focussing on effective programme of study design and learning support needs. International numbers were significantly ahead of 2023 target, reflecting the returning desirability of New Zealand as study destination and Te Pūkenga as a quality provider. The increase in numbers can be attributed to several factors, including the reopening of New Zealand's borders post COVID-19, the promotion of Te Pūkenga as a large-scale entity with access to a nationwide network of students and agents, and coordinated marketing events to promote the new brand at various events, in publications, and with stakeholders. The positive impacts this has on the internationalisation of Te Pūkenga portfolio and curriculum, and revenue streams was a particular positive for 2023.
• **Rohe 1**	n/a	n/a	21,906	
• **Rohe 2**	n/a	n/a	19,973	
• **Rohe 3**	n/a	n/a	19,908	
• **Rohe 4**	n/a	n/a	20,715	
• **Extramural**	n/a	n/a	11,537	
• **Industry training**	51,447	44,031	38,606	
• **SAC L7+**	n/a	17,208	16,043	
• **UFS DQ 3-7**	n/a	33,345	27,519	
• **SAC L1&L2**	n/a	2,720	2,748	
• **Youth guarantee**	848	836	941	
• **International**	2,861	3,991	5,315	
• **Other**	5,696	3,129	4,807	
Domestic Learners	270,993	1% increase on 2022	227,762	
Percentage of ākonga enrolments in unified programmes	n/a	18%	26%	A higher percentage of enrolments in unified programmes than expected represents both the speed at which unification progressed in 2022 to maximise programmes available and the popularity of these programmes across the country. Enrolments in unified programmes: n=59,786 Total enrolments across all programmes delivered in 2023: n=231,586

Council Priority 3: **Using our size and scale to strengthen the quality and range of education delivery throughout Aotearoa. Excellence in educational provision for all.**				
Measure	2022 Actual	2023 Target	2023 Actual[3]	Commentary
Proportion of staff teaching on degree and postgraduate programmes that are research active	n/a	Baseline established	48%	This research productivity measure is new for 2023 and is intended to provide a multi-year perspective on research output productivity for kaiako across the fifteen business divisions of Te Pūkenga that teach on degree level programmes or higher. Within these divisions 597 kaiako that teach on degree-level programmes or higher produced at least two verified outputs across 2022 and 2023. This result highlights the sizeable contribution from Te Pūkenga to the Research, Science and Innovation system of Aotearoa New Zealand. The data informing this productivity measure also highlighted the high degree of variability across business divisions with productivity scores of between 14% and 80%. This is, in large part, reflective of the variability in divisional capacity and resourcing. In establishing this benchmark, we can now develop more accurate strategies and interventions to lift research productivity within divisions and regions as well as across the vocational training sector as a whole.
Total international revenue	$47.5M	50% increase on 2022	$99.8M	International inbound revenue (excludes offshore delivery) increased by 110% from 2022 to 2023 against a target of a 50% growth. A major result post the opening of the NZ border, achieved through a coordinated approach to recruitment practices.
Total research revenue	$11.5M	Achieve budgeted amount of $12M	$13.7M	Research revenue for 2023 exceeded expectations by 14% with all research revenue receiving business divisions meeting or exceeding revenue expectations. Research expenditure was 10% above budget projections. The increase in revenue and expenditure was due to several external research project wins across the network. Overall, this is a very positive result with an operating surplus of $2.1M up from a forecast of $0.9M from research activities.

Council Priority 4: **Services that meet specific regional needs of employers and communities**				
Measure	**2022 Actual**	**2023 Target**	**2023 Actual[3]**	**Commentary**
Number of employers entering training agreements	16,063	Maintain numbers compared with 2022	26,750	The 2022 target, and therefore the published result, reflected only the three TITOs that transitioned to Te Pūkenga by the beginning of 2022. The actual 2022 result for all TITOs transitioned to Te Pūkenga by 2023 is 30,559 (see Disclosures page 59). The number of employers entering training agreements has decreased with the reduced number of trainees and apprentices undertaking work-based learning. In addition, increased economic concerns in 2023 have manifested as a contraction of forward work programmes for traditional employers, resulting in constrained training and recruitment. The cessation of Targeted Training and Apprenticeships Fund (TTAF) at the end of 2022, and the initially planned end of the Apprenticeship Training Boost in 2023 also affected employers' willingness to engage in work-based training.
Partner and stakeholder satisfaction:				
• **Employers (Net Promotor Score)**	25.6	20	28	Employer NPS reflects survey of employers with training agreements for formalised, work-based training (e.g. apprenticeships) provided by WBL divisions. The improvement in NPS shows employers are increasingly satisfied with work-based training services provided via Te Pūkenga WBL divisions. While not all WBL divisions participated in the 2023 survey, 70% of WBL employers were surveyed (n=18,487), which we consider a representative sample. For NPS the response rate was 11% (n=2,106). Margin of error 2% Confidence level 95%. The Brand perception result was from the national quantitative market research, conducted in November 2023 and represents a significant increase on the benchmark established in August 2022 (7%) and the survey result from November 2022 (19%). The increase can be attributed to a number of factors, including the concerted period of co-branding undertaken by all Business Divisions and the large number of ākonga and employers interacting with Te Pūkenga brand on a daily basis.
• **Brand perception**	19%	50% brand awareness	30%	
The development of a Rangahau research and innovation strategy	n/a	Strategy confirmed by Council	Not Achieved	Work towards the development of a national rangahau, research and innovation strategy was undertaken during 2023. The expertise of the Rangahau and Research Forum was elicited, and a Working Group was formed to support the design of a national research, rangahau and innovation function that allowed for key strategic objectives to be met. This work resulted in the appointment of the Pounuku Rangahau | Director of Rangahau and Research in November with plans for comprehensive strategy development. However, in December this work pivoted towards empowering regional rangahau, research and innovation leadership to align with the Minister’s Letter of Expectations. We will work with the TEC, NZQA and the MoE to assist them with their advice in relation to rangahau and research in the design of the new system and entities.

Council Priority 4: **Services that meet specific regional needs of employers and communities**				
Measure	2022 Actual	2023 Target	2023 Actual[3]	Commentary
Graduate employment rate:				
• **Provider-based**	n/a	Baseline established	63%	Data is sourced from the Integrated Data Infrastructure (IDI) and compared with TEC graduate employment models. This result reflects employment data for learners in any field in the 2022 graduating cohort. As this is the first time a result has been published using this methodology, it sets the baseline for future comparisons as per our 2023 SPE. Note: Due to completion/graduation cadence and IDI data ingestion practices, not all employment data for the in-scope graduated cohort will be available at the time of writing this report. We expect a small degree of movement (+/- 1 to 1.5%) as a result.
• **Work-based**	n/a		85%	

Council Priority 5: Transition educational services in a smooth and efficient manner.				
Measure	2022 Actual	2023 Target	2023 Actual[3]	Commentary
Overall financial result	($105,043k)	Achieve budgeted deficit of ($26,578k)	($37,864k)	Despite a $183M shortfall in revenue against the budget, expenditure has reduced by a corresponding $172M over the year delivering a $11M negative variance to budget. It should be noted that expenditure includes: the impact of EIT impairments, unbudgeted make-good costs for SIT Queenstown and Regent Street in Wellington and higher than anticipated programme related impairments for OPNZ.
Organisation structures are in place	n/a	All (9) Business Groups are established progressively through 2023. All (4) Regions are operating by end of 2023	Not achieved	After approval of the 2023 SPE the proposed organisational structure was finalised and approved with only eight business groups. Therefore, while technically this result is not achieved as per the published target, the finalised organisation structure was achieved. In April and June, Regional Executive Directors were appointed to oversee regional delivery and our four Rohe were operating soon after. Three enabling business groups were also confirmed and recruited into at the national level and senior roles (Director/Tier 3 level) were established and recruited in four of the five remaining groups. In June, a five-week consultation began on Tāraia te anamata | Creating our Futures for the remaining national structures within the five remaining business groups. The final structure was confirmed and established in September and recruitment for new roles in these teams began in October. However, recruitment was halted after receiving the Minister's Letter of Expectations on 6 December 2023. At that time, around 321 people were at different stages in the recruitment process, and approximately 40 people had accepted new roles in the new structure.
Staff engagement score	50%	60%	No result	Te Pūkenga decided not to action an end of year staff survey in 2023 due to overlap with Tāraia te anamata | Creating our futures organisational restructure and uncertainty regarding the future of Te Pūkenga following the result of the NZ general election.
Staff retention	n/a	At least 85% staff retention under new structure	84%	Retention varied across the network during 2023. The lowest retention was experienced at a former ITP (62%) while the highest retention (89%) was experienced at former ITP's and one former ITO.
Completion of ISSP technology roadmap (2023-2026)	n/a	Completed and implementation underway	Achieved	While this was completed and detailed implementation planning had started, implementation was halted following receipt of the Minister's Letter of Expectations outlining a change in direction for Te Pūkenga.

Educational Performance Indicator Commitments (EPIC)

The following table represents our full EPI commitments for 2023 as agreed with TEC. While the EPIC in its entirety is not formally included in our SSP, there are several measures that were included in our 2023 SPE as indicated in the table below and are therefore presented in the SSP tables above. We include the full table here as a supplement to our SSP. It is important to note that, unlike the SSP tables above which show previously published 2022 comparators based on the December 2022 SDR, the comparators in the EPIC table reflect the finalised values from the April 2023 SDR. While more accurate, these are previously unpublished and unaudited.

Performance Indicator	2022 Actual	2023 Target	2023 Actual[3]	SPE measure
First year retention rate:				
Levels 4 to 7 (non-degree):				No – replaced with overall ākonga retention measure
• **Non-Māori and non-Pasifika**	58.7%	66.0%	55.0%	
• **Māori**	54.1%	57.0%	54.4%	
• **Pasifika**	55.2%	57.0%	49.1%	
Level 7 degree:				
• **Non-Māori and non-Pasifika**	71.9%	71.9%	75.1%	
• **Māori**	65.5%	61.0%	65.3%	
• **Pasifika**	65.1%	63.0%	62.8%	
The first-year apprenticeship retention:				
• **All**	68.3%	75.0%	61.2%	No
• **Māori**	66.3%	72.0%	58.6%	
• **Pasifika**	67.0%	70.0%	57.6%	
Course completion (SAC funded):				
• **Non-Māori and non-Pasifika**	82.1%	82.0%	82.0%	Yes
• **Māori**	73.3%	73.0%	73.1%	
• **Pasifika**	71.4%	72.0%	72.4%	
Credit achievement:				
• **All**	69.0%	79.0%	77.7%	Yes – All levels only
• **Māori**	60.1%	58.0%	69.5%	
• **Pasifika**	56.8%	66.0%	64.3%	
Provider-based expected number of graduates at level 1 to 3:				
• **Non-Māori and non-Pasifika**	9,435	11,000	8,395	No
• **Māori**	3,608	4,800	3,603	
• **Pasifika**	1,149	1,400	1,151	

Performance Indicator	2022 Actual	2023 Target	2023 Actual[3]	SPE measure
Work-based programme completion:				
All levels:				Yes – All levels only
• **All**	65.4%	66.0%	59.5%	
• **Māori**	59.4%	60.0%	52.0%	
• **Pasifika**	64.3%	60.0%	54.7%	
Level 1 to 3:				
• **All**	68.4%	65.0%	61.8%	
• **Māori**	63.9%	63.0%	56.2%	
• **Pasifika**	67.9%	63.0%	55.8%	
Level 4 and above:				
• **All**	62.2%	66.0%	57.0%	
• **Māori**	53.6%	62.0%	46.6%	
• **Pasifika**	58.7%	62.0%	53.2%	
Proportion of total SAC eligible EFTS at level 1-3:				
• **Non-Māori and non-Pasifika**	63.1%	61.1%	59.2%	No
• **Māori**	28.5%	30.4%	31.7%	
• **Pasifika**	10.5%	10.7%	11.6%	
Proportion of total SAC eligible EFTS at level 4-7 (non-degree):				
• **Non-Māori and non-Pasifika**	74.9%	73.3%	74.1%	No
• **Māori**	17.8%	19.4%	18.5%	
• **Pasifika**	8.6%	8.8%	8.7%	
Proportion of total SAC eligible EFTS at level 7 degree:				
• **Non-Māori and non-Pasifika**	72.1%	72.2%	71.7%	No
• **Māori**	17.5%	17.9%	17.7%	
• **Pasifika**	11.9%	11.6%	12.2%	
Proportion of total SAC eligible EFTS at level 8-10:				
• **Non-Māori and non-Pasifika**	78.3%	78.3%	75.9%	No
• **Māori**	14.0%	13.9%	15.0%	
• **Pasifika**	9.0%	9.6%	10.6%	

Performance Indicator	2022 Actual	2023 Target	2023 Actual[3]	SPE measure
Work-based learning participation rates at level 4 and above:				No
• **Māori**	19.1%	20%	19.6%	
• **Pasifika**	8.6%	6%	8.7%	
• **Under 25**	38.5%	16%	40.2%	
Progression rate from levels 1-3: Proportion of total SAC eligible EFTS at level 1-3:				
• **Non-Māori and non-Pasifika**	34.2%	38.0%	33.8%	No
• **Māori**	36.2%	38.0%	34.7%	
• **Pasifika**	37.6%	37.0%	33.6%	
The amount of External Research Income earned ($M)	11.5	12.3	13.7	Yes
The number of international student EFTS	2,861	4,800	5,315	Yes
The number of Research Degrees completed	322	150	251	No

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 2023. This statement was authorised by Te Pūkenga Council on 19 July 2024.

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 perform its legislated functions in the vocation education and training sector, giving effect to its Charter for the benefit of communities and Aotearoa New Zealand. 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 for 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 Financial Statements and Statement of Service Performance have 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 Performance measure disclosure statements.

Output class selection

Prior to 2023, due to complexities associated with transition to one organisation, Te Pūkenga elected to report activities under a single output class – Teaching and Learning. In our 2023 SPE we broadened this classification to include two additional classes: Research and Transformation. The Transformation output class captures activities funded via Vote Education budget appropriations for the "Establishment and support of a single national vocational education institution".

Performance measure selection

During 2022, a process was carried out by Te Pūkenga Council, executive leadership, and subject matter experts to identify performance measures linked to each of our Council Priorities. This process aimed to ensure that the chosen measures were aligned with Te Pūkenga strategic objectives, capability and capacity, maturity of the organisation, and where accurate and complete data could be provided in a timely manner. The process included an assessment of 2022 performance measures against the progress Te Pūkenga had made since establishment in 2020 and assessing our increased capability to collect, integrate and analyse group data.

The performance measures include both quantitative and qualitative methods of measuring progress towards the key objectives and goals outlined in Te Pūkenga Statement of Intent 2021-2024. These are coupled with a range of Educational Performance Indicators (EPIs) that cover the 2023 period, which were issued by the Tertiary Education Commission (TEC) as part of the investment planning process. The selected measures and targets were defined in Te Pūkenga Statement of Performance Expectations 2023, and cover both the provision of education and training services across the group and transformation activities undertaken by the parent.

As we have transitioned, our capability and capacity has increased, and our performance monitoring processes have matured. This has resulted in refinement of our performance measures since 2022. While our 2023 performance measures cover similar areas to that of our 2022 Annual Report and build on these, comparability, and consistency between the two is not possible for some measures as they have been refined, discontinued, or added as new (see Performance measure disclosure statements).

To reflect organisational development since the approval of our 2023 SPE and to better reflect service level impacts of the transition to one organisation, we have added additional measures to our SSP that were not included in the SPE. For the first time we report learner outcomes (course success and credit achievement) and enrolments at the regional level (Rohe 1-4).

Measurement

Actuals provided are based on data currently available. In the case of EPIs and learner numbers/EFTS final 2023 actuals are confirmed by TEC following the April SDR and after the statutory deadline for the preparation and audit of the Statement of Service Performance. We therefore follow the convention of providing provisional results (as at Feb 2024) to maintain consistency and comparability with previous Annual Reports.

For consistency, 2022 comparator data reflects the previously published provisional result for measures reported in 2022. For measures not previously reported, the 2022 comparator data, where available, reflects the finalised 2022 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.

Presentation of information

In presenting our Service Performance Information, we have applied the PBE FRS 48 standard. Our Service Performance Information is contained in reporting against Statement of Intent on pages 33-38 and Statement of Service Performance on pages 42-60 which excludes the Greenhouse Gas Emissions Summary reporting. Our performance measures are grouped under the five Te Pūkenga Council Priorities.

Performance measure disclosure statements

Measure	New/updated/ discontinued	Disclosure statement
Progress against Te Pae Tawhiti Action Plans	Updated	In 2023 we transitioned from plans specifically aligned to our Te Pae Tawhiti framework to Te Tiriti o Waitangi Action Plans and the measure was updated to "Te Tiriti o Waitangi Action Plans".
Te Pūkenga Te Tiriti Relationship model has been established	Discontinued	This measure was relevant to 2022 Transition and Transformation Roadmap. As reported in our 2022 Annual Report the decision was subsequently made to move away from a static model to an overall framework that outlines Te Pūkenga commitment to entering active and meaningful partnerships. This activity was subsequently incorporated into development of Te Tiriti o Waitangi Excellence Strategy as described in our 2024 SPE.
Equity strategy has been developed	Discontinued	This measure was relevant to 2022 Transition and Transformation Roadmap. It has since been incorporated into development of Te Tiriti o Waitangi Excellence Strategy as described in our 2024 SPE.
Permanent advisory committees to Council for kaimahi, students and Māori are established	Discontinued	This initiative was postponed in favour of maintaining interim governance structures in 2023.
Develop a network approach to enhancing our secondary-tertiary pathways and pilot initiatives	Discontinued	Completed in 2022.
Graduate destinations	Updated	A new methodology was developed and implemented in 2023 and the measure was updated to "Graduate employment rate". The new measure sources data from the Integrated Data Infrastructure (IDI) and data models from the Tertiary Education Commission (TEC). The measure is time-bound, in that it examines the employment outcomes of the in-scope graduating cohort one year after completing their study at Te Pūkenga. Thus, the measure is subject to reporting lag as the graduating cohort year will always be one year behind the reporting year in which the measure is published.
Cohort-based qualification completion (SAC funded)	Discontinued	No longer a part of EPI Commitments with TEC.
First-year retention rate	Discontinued	Replaced with a new measure "Ākonga retention" that captures the real retention of all campus-based learners, regardless of level and year of study, both within programmes and into new programmes.
Ākonga retention	New	Ākonga retention – the percentage of ITP learners that started their enrolment in a reporting year who did not withdraw from their programme of study. Replaces first-year retention rate in our 2023 SPE.
Proportion of qualifications engaged in unification process	Discontinued	Since many qualifications with unified programmes came online in 2023, this measure was replaced with "Percentage of ākonga enrolments in unified programmes".

Measure	New/updated/ discontinued	Disclosure statement
Percentage of ākonga enrolments in unified programmes	New	This new measure, and the methodology for calculating it, better reflects service level impacts of the unification of programmes across the total learner cohort. This measure primarily uses enrolment records from the base learner dataset collected from business divisions on a monthly frequency. These records are supplemented with information from our Qualification and Programme portfolio models and data products: these are the source for delivery implementation data for unified programmes. The numerator for this measure: • counts unique learner enrolment records in the reporting year associated with a unified programme, and; • where the programme course start date is equal to or greater than the unified delivery implementation date, and this date is in the past.
Te Pūkenga has finalised its International Strategy	Discontinued	Completed in 2022 and removed from 2023 SPE.
Total international revenue	New	Reflecting the contribution of international enrolments to Te Pūkenga financial outcomes.
Māori partner satisfaction	Updated	Methodology changed to a proportion of relationships that reached Te Pihinga (Developing) rating at the least. In 2022 this was based on the overall rating of Kakano (Emergent) provided by the Mātauranga Iwi Leaders Group.
Employers (Net Promotor Score)	Updated	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 division employer survey questions, respondents are asked how likely they are to recommend the business. The NPS score represents consolidated score of the % promoters minus % detractors. Employer NPS reflects employers engaged via our WBL divisions. These divisions undertake formalised annual employer surveys that allow consolidation into an overall NPS score and represent most employers participating in learner training in the workplace during the year. While many campus-based divisions also undertake some work-based delivery they either do not regularly survey employers, or their survey methodology is not conducive to consolidation, and/or their survey data is not readily available for consolidation. Work was underway in 2023 to improve divisional coverage of the employer survey in 2024, but this has now been halted due to the government's intention to disestablish Te Pūkenga. The following business divisions contributed data to the consolidated NPS score in 2023: Careerforce, BCITO, MITO, Connexis, and ServiceIQ.
Number of employers entering training agreements	Updated	Employers with active training agreements with work-based learning divisions. For 2023, we have adjusted the methodology of the measure of employer participation to capture all employers with training agreements in work-based learning divisions, not just those that started in 2023. As enrolments cover the period of the programme — which in the case of apprenticeships can be for 4 years – this provides a better measure of employer participation in work-based learning than for example, counting how many employers sign-up to new training agreements in the year. This provides us with a distinct count of employers. Further work is required to ensure duplication of businesses is managed. The difference between annual values provides indication of growth/reduction of employer participation in work-based training.

Measure	New/updated/ discontinued	Disclosure statement
Brand perception	Updated	Previously called "Community satisfaction".
Operating model	Discontinued	Completed in 2022 and removed from 2023 SPE.
TITO transitions	Discontinued	Completed in 2022 and removed from 2023 SPE.
There are transfer plans/ processes in place for subsidiaries in 2022	Discontinued	Completed in 2022 and removed from 2023 SPE.
Organisation structures are in place	New	Tracks the establishment of the organisational structure component of implementing the new operating model developed in 2022.
Ākonga wellbeing	New	The Learner Wellbeing Measure is designed to assess the overall wellbeing of students. It is calculated based on 8 questions, each representing a different dimension of wellbeing. Each question uses a 6-point Likert Scale, ranging from strongly agree to strongly disagree (with no neutral response option). The sum of "Strongly Agree," "Agree," and "Slightly Agree" responses across the eight wellbeing questions is used as the numerator, while the denominator is the sum of all responses to the eight questions.
Proportion of staff teaching on degree and postgraduate programmes that are research active	New	Proportion of degree and postgraduate teaching staff (FTE) that produce at least two verified outputs across the previous two years. Reflective of our expanded range of reportable output classes in 2023.
Total research revenue	New	Identifies the development and success of research activities at Te Pūkenga, reflecting our expanded range of reportable output classes in 2023.
The development of a Rangahau research and innovation strategy	New	The Rangahau research and innovation strategy directs the research and innovation activities at Te Pūkenga. Reflective of our expanded range of reportable output classes in 2023.
Overall financial result	New	Added to our 2023 SPE to reflect the emphasis on maintaining the financial health and sustainability of the organisation.
Staff retention	New	Added to our 2023 SPE to reflect the importance of retaining experienced staff within the sector, particularly within the context of ongoing change.
Completion of ISSP technology roadmap (2023-2026)	New	The ISSP Technology Roadmap charts the medium-term system and platform development and integration plan for Te Pūkenga. Added to 2023 SPE to reflect significance of the programme within our overall Transition and Transformation roadmap.

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 2023

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.

We have audited:

- the financial statements of Te Pūkenga and the Group on pages 65 to 148 and, 151 to 154 that comprise the statement of financial position as at 31 December 2023, 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 33 to 38 and 42 to 60 for the year ended 31 December 2023.

Opinion

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 65 to 148 and, 151 to 154:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2023; 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 33 to 38 and 42 to 60:

- presents fairly, in all material respects, Te Pūkenga and the Group's performance for the year ended 31 December 2023, 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;
    - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
    - the service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2023; and
  - what has been achieved with the appropriation for the year ended 30 June 2023 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 was completed on 19 July 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to material uncertainty related to going concern. 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 in the prior year due to inadequate evidence available for some of the cashflow information

As outlined in the financial statements on page 71, in the prior year 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 (presented as comparative information). There were no satisfactory audit procedures that we could adopt to determine the effect of this limitation in scope.

This matter has been resolved for 31 December 2023. However, as the limitation cannot be resolved for the 2022 year, some of the Parent cash flow information for 2022, as described above, may not be directly comparable to the 2023 cash flow information.

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.

Emphasis of matter - Material uncertainty related to going concern

Without further modifying our opinion, we draw attention to the disclosure in note 1 on page 73 and Note 34 on page 154 about the use of the going concern assumption for preparing Te Pūkenga's financial statements. These notes outline the uncertainty over the future of Te Pūkenga following advice that the government had agreed to begin disestablishing Te Pūkenga. At the current time no decision has been made by government that the entity will be disestablished within the 12-month period from the signing of the 31 December 2023 financial statements. This matter indicates that a material uncertainty exists that casts significant doubt over Te Pūkenga's ability to continue as a going concern.

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 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 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 Te Pūkenga and Group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 32, 38 to 41, 61, 64, 149, 150 and pages 155 to 160 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 (including International Independence Standards) (New Zealand) (PES 1) 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 2023 to 31 December 2023
- The Statement of Performance fairly reflects the performance of the Group for 1 January 2023 to 31 December 2023
- The Financial Statements fairly reflect the financial position and operations of the Parent and the group for 1 January 2023 to 31 December 2023.

Signed by:

Sue McCormack
Heamana ō-naianei |
Acting Chair, Te Pūkenga Council
19 July 2024

Gus Gilmore
Tumuaki |
Chief Executive
19 July 2024

Statement of Comprehensive Revenue and Expense

for the year ended 31 December 2023

		Group			Parent		
All in $000s	Note	Actual 2023	Budget 2023	Restated Actual 2022*	Actual 2023	Budget 2023	Actual 2022
Revenue							
Government funding	2	858,249	1,068,221	795,241	858,252	1,068,221	748,399
Tuition fees and departmental revenue	2	373,061	351,190	342,315	371,251	351,190	37,146
Other revenue	2	140,353	135,056	114,492	123,956	135,056	32,687
Total revenue		**1,371,663**	**1,554,467**	**1,252,048**	**1,353,459**	**1,554,467**	**818,232**
Expenditure							
Employee expenses	3	839,318	882,424	800,710	834,688	882,424	215,232
Depreciation expense	10	99,814	133,626	100,379	99,169	133,626	26,475
Amortisation expense	11	24,885	0	24,913	24,381	0	5,460
Finance costs	3	5,211	8,136	3,910	4,606	8,136	1,040
Administration and other expenses	3	440,299	556,858	426,401	432,698	556,858	768,013
Total expenditure		**1,409,527**	**1,581,044**	**1,356,313**	**1,395,542**	**1,581,044**	**1,016,220**
Share of associate / joint venture		0	0	(778)	0	0	28
Surplus/(deficit)		**(37,864)**	**(26,577)**	**(105,043)**	**(42,083)**	**(26,577)**	**(197,960)**
Other comprehensive revenue and expense							
Items that will not be reclassified to surplus/(deficit)							
Revaluation of land and buildings	21	73,458	0	(21,854)	71,166	0	(2,390)
Changes in value of equity investments classified as at fair value through other comprehensive revenue and expense		0	0	(1,939)	0	0	0
Total items that will not be reclassified to surplus/(deficit)		**73,458**	**0**	**(23,793)**	**71,166**	**0**	**(2,390)**
Total other comprehensive revenue/(expense)		**73,458**	**0**	**(23,793)**	**71,166**	**0**	**(2,390)**
Total comprehensive revenue/(expense)		**35,594**	**(26,577)**	**(128,836)**	**29,083**	**(26,577)**	**(200,350)**
Total comprehensive revenue and expense for the period attributable to:							
The Crown		35,594	(26,577)	(128,836)	29,083	(26,577)	(200,350)
Total		**35,594**	**(26,577)**	**(128,836)**	**29,083**	**(26,577)**	**(200,350)**

The budget for the Parent and the Group relates to the published Statement of Performance Expectations 2023.
Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

**Restated actual refer to Note 31 Retrospective Restatement of Errors.*

Statement of Financial Position

as at 31 December 2023

		Group			Parent		
All in $000s	Note	Actual 2023	Budget 2023	Restated Actual 2022*	Actual 2023	Budget 2023	Restated Actual 2022*
ASSETS							
Current assets							
Cash and cash equivalents	4	338,905	235,129	337,639	330,853	235,129	272,339
Student fees and other receivables	5	119,121	112,515	136,632	122,900	112,515	104,049
Prepayments		26,029	26,328	15,850	25,899	26,328	10,119
Inventory	6	9,754	7,863	7,865	8,696	7,863	6,069
Assets held for sale	7	8,250	13,090	9,735	8,250	13,090	9,735
Other financial assets	19	148,336	122,090	82,410	143,135	122,090	95,266
Total current assets		**650,395**	**517,015**	**590,131**	**639,733**	**517,015**	**497,577**
Non-current assets							
Property, plant and equipment	10	2,369,476	2,424,494	2,293,832	2,338,331	2,424,494	2,257,554
Intangible assets	11	51,496	65,753	61,676	49,957	65,753	52,327
Assets under construction - property, plant and equipment	10	14,936	0	69,428	14,725	0	69,067
Assets under construction - intangibles	11	7,546	0	9,184	7,364	0	5,446
Investment in associate, joint ventures and subsidiaries	12	4,437	0	943	4,437	0	3,074
Investment property	13	3,250	3,895	3,290	0	3,895	0
Term receivables	5	0	0	1,843	0	0	1,843
Derivative financial instruments	8	392	0	311	0	0	311
Other financial assets - non-current	19	9,361	1,047	31,594	3,195	1,047	3,561
Total non-current assets		**2,460,894**	**2,495,189**	**2,472,101**	**2,418,009**	**2,495,189**	**2,393,183**
Total assets		**3,111,289**	**3,012,204**	**3,062,232**	**3,057,742**	**3,012,204**	**2,890,760**

**Restated actual refer to Note 31 Retrospective Restatement of Errors.*

All in $000s	Note	Group Actual 2023	Group Budget 2023	Group Restated Actual 2022*	Parent Actual 2023	Parent Budget 2023	Parent Restated Actual 2022*
LIABILITIES							
Current liabilities							
Trade and other payables	14	167,377	98,687	157,278	162,998	98,687	120,988
Related party payables	14	0	0	0	950	0	11,405
Employee entitlements	15	66,034	49,140	63,868	65,686	49,140	54,436
Revenue received in advance	16	184,087	158,218	166,263	182,765	158,218	161,941
Borrowings	17	6,229	0	4,305	5,669	0	3,745
Finance leases	18	2,079	2,384	2,582	2,079	2,384	2,582
Related party term deposit payables	27	0	0	0	0	0	42,000
Provisions - current	9	5,328	18,532	8,514	4,409	18,532	4,940
Total current liabilities		**431,134**	**326,961**	**402,810**	**424,556**	**326,961**	**402,037**
Non-current liabilities							
Employee entitlements	15	3,525	0	3,817	3,525	0	3,794
Revenue received in advance	16	814	0	15,655	0	0	0
Borrowings	17	42,505	71,814	39,924	33,128	71,814	31,888
Finance leases	18	35,549	0	37,153	35,549	0	37,153
Provisions - non-current	9	6,899	38,755	10,011	3,044	38,755	5,354
Total non-current liabilities		**89,292**	**110,569**	**106,560**	**75,246**	**110,569**	**78,189**
Total liabilities		**520,426**	**437,530**	**509,370**	**499,802**	**437,530**	**480,226**
Net assets		**2,590,863**	**2,574,674**	**2,552,862**	**2,557,940**	**2,574,674**	**2,410,534**
EQUITY							
General funds	21	1,235,282	1,262,763	1,258,484	1,217,398	1,262,763	1,161,028
Property revaluation reserve	21	1,221,598	1,233,522	1,153,494	1,208,737	1,233,522	1,142,923
Trust, endowments and bequests	21	4,086	1,634	3,864	2,440	1,634	2,231
Restricted reserves	21	129,897	76,755	137,020	129,365	76,755	104,352
Total equity attributable to Te Pūkenga		**2,590,863**	**2,574,674**	**2,552,862**	**2,557,940**	**2,574,674**	**2,410,534**
Total equity		**2,590,863**	**2,574,674**	**2,552,862**	**2,557,940**	**2,574,674**	**2,410,534**

The budget for the Parent and Group relates to the published Statement of Performance Expectations 2023. Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

**Restated actual refer to Note 31 Retrospective Restatement of Errors.*

Statement of Changes in Equity

for the year ended 31 December 2023

		Group			Parent		
All in $000s	Note	Actual 2023	Budget 2023	Restated Actual 2022*	Actual 2023	Budget 2023	Actual 2022
Opening balance		2,552,862	2,567,521	2,628,778	2,410,534	2,567,521	33,488
Acquired on amalgamation		0	0	28,855	115,919	0	2,552,440
Other comprehensive revenue and expense							
Surplus/(deficit)	21	(37,864)	(26,577)	(105,043)	(42,083)	(26,577)	(197,960)
Other comprehensive revenue	21	73,458	0	(23,793)	71,166	0	(2,390)
Total comprehensive revenue and expense		**35,594**	**(26,577)**	**(128,836)**	**29,083**	**(26,577)**	**(200,350)**
Other transactions							
Movement in reserves		2,407	33,730	0	2,404	33,730	0
Contributions from the Crown		0	0	24,065	0	0	24,956
Total other transactions		**2,407**	**33,730**	**24,065**	**2,404**	**33,730**	**24,956**
Balance at 31 December		**2,590,863**	**2,574,674**	**2,552,862**	**2,557,940**	**2,574,674**	**2,410,534**

The budget for the Parent and Group relates to the published Statement of Performance Expectations 2023. Explanations of major variances against budget are provided in Note 22.

The accompanying notes form part of these financial statements.

Restated actual refer to Note 31 Retrospective Restatement of Errors.

Statement of Cash Flows

for the year ended 31 December 2023

All in $000s		Group			Parent		
		Actual 2023	Budget 2023	Actual 2022	Actual 2023	Budget 2023	Actual 2022
Cash flow from operating activities							
Receipts from Government grants		835,428	973,059	775,606	835,447	973,059	639,675
Receipts from student fees		379,389	383,011	384,690	376,660	383,011	223,827
Receipt of dividends		17	0	110	17	0	1,026
Receipt of interest		24,095	3,402	9,302	22,815	3,402	3,438
Receipt of other revenue		90,640	181,597	131,758	81,740	181,597	56,383
Goods and services tax (net)		(7,098)	(34,845)	5,094	(7,163)	(34,845)	10,621
Payments to employees		(837,417)	(945,655)	(795,986)	(832,929)	(945,655)	(753,278)
Payments to suppliers		(392,912)	(443,011)	(369,065)	(384,777)	(443,011)	(231,009)
Interest paid		(5,210)	(1,959)	(3,924)	(4,606)	(1,959)	(1,040)
Net cash flow from operating activities		**86,932**	**115,599**	**137,585**	**87,204**	**115,599**	**(50,357)**
Cash flow used in investing activities							
Insurance proceeds - capital		14,042	0	0	14,042	0	0
Proceeds from sale of property, plant and equipment		11,334	52,022	69,533	11,339	52,022	2,390
Proceeds from sale or maturity of investments		984,895	102,242	115,998	984,895	102,242	167,544
Cash received from subsidiaries for term deposit investments		0	0	0	0	0	40,000
Cash paid to subsidiaries from matured term deposits		0	0	0	0	0	(1,000)
Purchase of property, plant and equipment		(60,796)	(141,779)	(88,778)	(60,679)	(141,779)	(21,563)
Purchase of investments		(1,017,876)	(81,612)	(106,712)	(1,016,026)	(81,612)	(66,179)
Purchase of intangible assets		(17,818)	(24,002)	(12,269)	(17,215)	(24,002)	3,424
Net cash flow used in investing activities		**(86,219)**	**(93,129)**	**(22,228)**	**(83,644)**	**(93,129)**	**124,616**
Cash flows from financing activities							
Proceeds from borrowings		5,636	1,602	12,375	3,164	1,602	26,250
Proceeds from capital contributions from the Crown		0	15,000	25,000	0	15,000	25,000
Repayment of borrowings		(560)	(18,301)	(25,241)	0	(18,301)	(20,698)
Borrowings balances acquired at amalgamation		0	(2,531)	0	0	(2,531)	0
Repayment of finance leases		(2,107)	0	(3,665)	(2,107)	0	0
Proceeds/Distributions from other Financial Activities		(2,416)	0	(17,688)	0	0	(1,703)
Net cash flows from financing activities		**553**	**(4,230)**	**(9,219)**	**1,057**	**(4,230)**	**28,849**
Net (decrease)/increase in cash and cash equivalents		**1,266**	**18,240**	**106,138**	**4,617**	**18,240**	**103,108**
Cash and cash equivalents at beginning of the period		337,639	216,890	207,371	272,339	216,890	65,086
Cash and cash equivalents from amalgamation		0	0	24,130	53,897	0	104,145
Cash and cash equivalents at end of the year	4	**338,905**	**235,130**	**337,639**	**330,853**	**235,130**	**272,339**

The budget for the Group relates to the published Statement of Performance Expectations 2023. Explanations of major variances against budget are provided in Note 22. The accompanying notes form part of these financial statements. The movement of divisions from Group to Parent is the movement of former ITO divisions reporting directly to Te Pūkenga parent from 1 January 2023 whereas in 2022 they reported through the Group via WBL Ltd.

Reconciliation of movements in liabilities arising from financing activities

for the year ended 31 December 2023

	Group			
All in $000s	Total	Secured loans	Finance Leases	Interest Rate Swaps
Balance at 1 January 2023	84,274	44,228	39,735	311
Net cashflows	3,217	5,635	(2,107)	(311)
Fair value	442	0	0	442
Other changes	(1,179)	(1,129)	0	(50)
Balance at 31 December 2023	**86,754**	**48,734**	**37,628**	**392**

	Parent			
All in $000s	Total	Secured loans	Finance Leases	Interest Rate Swaps
Balance at 1 January 2023	75,679	35,633	39,735	311
Net cashflows	746	3,164	(2,107)	(311)
Fair value	442	0	0	442
Other changes	(50)	0	0	(50)
Balance at 31 December 2023	**76,817**	**38,797**	**37,628**	**392**

	Group			
All in $000s	Total	Secured loans	Finance Leases	Interest Rate Swaps
Balance at 1 January 2022	101,076	59,555	41,499	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**	**39,735**	**311**

	Parent			
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	41,521	0	41,499	22
Net cashflows	3,541	5,552	(2,011)	0
Fair value	30,370	30,081	0	289
New leases	1,061	0	1,061	0
Other charges	(814)	0	(814)	0
Balance at 31 December 2022	**75,679**	**35,633**	**39,735**	**311**

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

for the year ended 31 December 2023

		Group		Parent	
All in $000s	Note	Actual 2023	Restated Actual 2022*	Actual 2023	Actual 2022
Surplus/(deficit)		(37,864)	(105,044)	(42,083)	(197,960)
Add/(less) non cash items:					
Depreciation and amortisation expense		124,699	125,293	123,550	31,935
Impairment		11,694	9,875	11,694	6,902
Bad debt provision movement		7,998	(400)	7,998	(485)
Other losses/(gains)		(2,912)	2,289	817	0
Add/(less) items classified as investing or financing activities:					
Net loss/(gain) on disposal of property, plant and equipment		1,414	1,589	1,371	1,580
Insurance proceeds - Capital		(14,042)	0	(14,042)	0
Add/(less) movements in working capital:					
(Increase)/decrease in accounts receivable and other receivables		(920)	17,603	(26,047)	50,513
(Increase)/decrease in inventories		(1,901)	(2,883)	(1,929)	(82)
(Increase)/decrease in prepayments		(13,742)	20,622	(13,738)	10,488
(Increase)/decrease in other financial assets		(21)	1,606	0	0
Increase/(decrease) in employee entitlements		1,782	4,724	1,759	(25,775)
Increase/(decrease) in trade and other payables		13,919	59,026	38,946	6,940
Increase/(decrease) in provisions		(6,319)	(3,809)	(5,949)	9,998
Increase/(decrease) in fees in advance		3,150	7,095	4,857	55,589
Net cash from operating activities		**86,932**	**137,585**	**87,204**	**(50,357)**

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

The 31 December 2022 Parent Cashflow Statement (comparative year) 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.

Restated actual refer to Note 31 Retrospective Restatement of Errors.

Note Index

Notes to the Financial Statements

for the year ended 31 December 2023

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 Education (Vocational Education and Training and Reform) Amendment Act 2020 required the transfer of arranging training and support activities from Transitional Industry Training Organisations (TITOs) to (WBL Ltd.) during the 2022 financial year and to be completed by 31 December 2022. WBL Ltd. was disestablished on 31 December 2022 and amalgamated into Te Pūkenga on 1 January 2023.

Te Pūkenga and the Group provides educational and research services for the benefit of the community. It does 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 are presented on a parent and consolidated group basis. The Group consists of Te Pūkenga and its wholly-owned subsidiaries (including thoise subsidiaries up until amalgmation date). The parent consists of Te Pūkenga National and its 25 divisions as follows:

- Ara Institute of Canterbury
- Eastern Institute of Technology
- Manukau Institute of Technology
- Nelson Marlborough Institute 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
- Wellington Institute of Technology
- Western Institute of Technology at Taranaki
- Whitireia Community Polytechnic
- Competenz
- Connexis
- BCITO
- MITO
- Service IQ
- Careerforce
- HITO
- Primary
- EarnLearn

AUTHORISATION DATE

The financial statements of the institute and Group are for the year ended 31 December 2023, and were authorised for issue by the Council on 19 July 2024.

BASIS OF PREPARATION

In December 2023, Te Pūkenga received a revised Letter of Expectations from the new Minister for Tertiary Education and Skills, Hon Penny Simmonds advising that the new coalition government had agreed as part of the government's 100-day plan to begin disestablishing Te Pūkenga. The financial statements have been prepared on a going concern basis. 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 2023 to 31 December 2023, 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	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).

The financial statements and Statement of Service Performance have 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.

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.

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 outlined 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 2022. 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 2023 to 31 December 2023.

Notes to the Financial Statements

for the year ended 31 December 2023

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

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. Due to Cyclone Gabrielle damage in Feb 2023, Eastern Institute of Technology (EIT) has provided for impairment at their Taradale campus.

Course development costs

The Group has applied its policy to expense course development costs where the capitalisation would fail the definition of asset under GAAP. However where capitalisation is warranted, the group has applied judgment as to the future economic benefit of capitalised course development costs.

Cost allocation

Te Pūkenga funded activity during 2023 sits across three output classes:

- Education and Training
- Research
- Transformation

The cost of outputs has been determined using the cost allocation system outlined below. Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner, with a specific output. Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity/usage information. Occupancy, lease expenses, Insurance, ICT/Digital, and Communication followed by depreciation, are charged on the basis of ratio of Research expenses to total expenses of that division for each output. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for each output.

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

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 for those entities it controls. These subsidiaries are listed in Note 12. 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 Group financial statements.

Comparability of 2022 Parent figures

The 2022 comparative figures are not directly comparable except at group level for 2023, due to structural changes occuring. The parent figures in 2022 included all former Institutes of Technology (ITP's) that were amalgamated into Te Pūkenga. The 2022 Group included WBL Ltd and other subsidiaries. On 31 December 2022 WBL Ltd was disetablished, and on 1 January, the former ITO's that were part of WBL Ltd were amalgamated into Te Pūkenga as seperate trading divisions. In 2023 the parent includes all former ITP's and ITO's and the group includes their former subsidiaries.

2. REVENUE

ACCOUNTING POLICY

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

Student Achievement Component / Delivery + Qualification funding

Student Achievement Component (SAC) funding was the main source of operational funding for Te Pūkenga from the Tertiary Education Commission (TEC) until March 2023. It is now called delivery + qualification funding (DQ). Te Pūkenga National office received this funding from TEC and passed it onto the business divisions. The Institute considers SAC / DQ funding to be non-exchange revenue and would normally recognise SAC / DQ 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. 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 2023, 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 from TEC and passed it onto the 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

Te Pūkenga considers that fees-free revenue is non-exchange revenue and would normally recognise revenue when the course withdrawal date for an eligible student has passed. Te Pūkenga received this funding from TEC and passed it onto the business divisions and would be 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.

Department revenue including sales of goods

Is recognised when the service or product is sold to the customer.Department revenue can include cafeteria sales, carparking and additional course materials.

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.

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for the year ended 31 December 2023

2. REVENUE (CONTINUED)

	Group		Parent	
All in $000s	Actual 2023	Restated Actual 2022*	Actual 2023	Actual 2022
Government funding classified as non-exchange transactions				
Student disability grant	236	2,410	236	526
Literacy funding	3,361	3,198	3,361	930
Youth guarantee funding	13,817	13,122	13,817	2,595
Other Government grants	61,186	84,560	61,189	39,381
Māori and Pacific Islands grant	2,198	9,014	2,198	3,183
Student Achievement Component (SAC) funding	496,863	510,097	496,863	694,532
Performance based research funding	8,801	8,752	8,801	2,208
Other Government funding	3,925	0	3,925	0
Industry training fund	267,862	164,088	267,862	5,044
Total Government funding classified as non-exchange transactions	**858,249**	**795,241**	**858,252**	**748,399**
Tuition fees and departmental revenue classified as exchange transactions				
Tuition fees - international students	99,844	47,468	98,034	13,087
Departmental revenue (non-base revenue and recoveries)	3,329	11,450	3,329	2,424
Other tuition fees classed as exchange transactions	3,254	3,559	3,254	822
Total tuition fees and departmental revenue classified as exchange transactions	**106,427**	**62,477**	**104,617**	**16,333**
Tuition fees and departmental revenue classified as non-exchange transactions				
Tuition fees - domestic students	184,874	120,862	184,874	11,481
Other tuition fees classed as non-exchange transactions	5,136	1,027	5,136	550
Fees free funding	43,846	15,524	43,846	2,221
Targeted training and apprenticeship funding (TTAF)	32,779	142,425	32,778	6,561
Total tuition fees and departmental revenue classified as non-exchange transactions	**266,635**	**279,838**	**266,634**	**20,813**
Total tuition fees and departmental revenue	**373,061**	**342,315**	**371,251**	**37,146**

Refer Note 31 Restatement of Comparatives.

Restated actual refer to Note 31 Retrospective Restatement of Errors.

All in $000s	Note	Group Actual 2023	Group Restated Actual 2022*	Parent Actual 2023	Parent Actual 2022
Other revenue classified as exchange transactions					
Other revenue		79,178	74,131	64,071	24,396
Insurance proceeds		14,042	0	14,042	0
Gain on disposal of property, plant and equipment		1,548	549	1,548	(61)
Net gain on interest rate swaps - classified as fair value through profit or loss		442	0	442	0
Net gain on investments in managed funds - classified as fair value through surplus or deficit	19	0	(892)	0	0
Interest revenue		23,238	9,273	21,955	3,423
Dividend revenue		17	110	17	1,026
Research revenue		6,198	1,991	6,198	1,284
Secondment revenue		712	0	712	0
Rental revenue from investment property		1,026	891	1,026	(786)
Student service fees		4,599	7,546	4,599	3,184
Total other revenue classified as exchange transactions		**131,000**	**93,599**	**114,610**	**32,466**
Other revenue classified as non-exchange transactions					
Other revenue		3,601	13,119	3.601	237
Net gain on interest rate swaps - classified as held for trading	8	0	333	0	0
Interest revenue		867	0	860	0
Research revenue		0	2,784	0	0
Rental revenue from investment property		0	2,600	0	(18)
Student service fees		4,885	2,057	4,885	2
Total other revenue classified as non-exchange transactions		**9,353**	**20,893**	**9,346**	**221**
Total other revenue		**140,353**	**114,492**	**123,956**	**32,687**
Total revenue		**1,371,663**	**1,252,048**	**1,353,459**	**818,232**
Revenue classification					
Exchange revenue		237,427	156,076	219,227	48,799
Non-exchange revenue		1,134,236	1,095,972	1,134,232	769,433
Total revenue		**1,371,663**	**1,252,048**	**1,353,459**	**818,232**

**Restated actual refer to Note 31 Retrospective Restatement of Errors.*

Notes to the Financial Statements

for the year ended 31 December 2023

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, sick leave sabbatical, long service leave and retirement 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 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 2023	Actual 2022	Actual 2023	Actual 2022
Employee expenses					
Wages and salaries		797,804	752,414	793,509	205,089
Defined contribution plan employer contributions		18,834	15,882	18,749	2,670
Councillors and Board fees	26	714	2,695	584	676
Increase/(decrease) in employee benefit liabilities		3,167	3,630	3,164	(4,661)
Other employee expenses		12,897	19,586	12,780	6,383
Restructuring expenses		5,902	6,503	5,902	5,075
Total employee benefits expense		**839,318**	**800,710**	**834,688**	**215,232**
Depreciation and amortisation expenses					
Depreciation	10	99,814	100,379	99,169	26,475
Amortisation	11	24,885	24,913	24,381	5,460
Total finance costs		**124,699**	**125,292**	**123,550**	**31,935**
Finance costs					
Finance costs		5,211	3,910	4,606	1,040
Total finance costs		**5,211**	**3,910**	**4,606**	**1,040**

All in $000s	Note	Group Actual 2023	Group Actual 2022	Parent Actual 2023	Parent Actual 2022
Administration and other expenditure					
Auditors' remuneration					
Fees to Audit New Zealand for the audit of financial statements		3,851	4,062	3,851	1,229
Fees to Audit New Zealand for the audit of Performance Based Research Fund (PBRF)		41	0	41	0
Additional audit fees to Audit New Zealand for 2021 and 2022		247	0	247	86
Fees to Audit New Zealand for other services		0	(46)	0	56
Fees to Ernst & Young for the audit of financial statements (Open Polytechnic, Weltec & Whitireia)		0	501	0	7
Fees to Audit New Zealand for the audit of financials statements (Southern Lakes Education College, subsidiairy)		51	40	0	0
Fees to BDO for the audit of financial statements (OPAIC, subsidiary)		5	4	0	0
Total auditors' remuneration		**4,195**	**4,561**	**4,139**	**1,378**

Notes to the Financial Statements

for the year ended 31 December 2023

3. EXPENDITURE (CONTINUED)

		Group		Parent	
All in $000s	Note	Actual 2023	Actual 2022	Actual 2023	Actual 2022
General costs					
Administrative, materials and consumables expenses		55,068	68,103	51,579	20,955
Funding distribution to subsidaries		0	0	0	670,364
Bad and doubtful debts - written-off	5	4,643	402	4,644	(135)
Course delivery expenses		119,319	123,747	119,319	17,245
Discontinued operations		73	1,750	73	1,750
Donations & koha		148	411	147	56
Impairment of property, plant and equipment, and assets held for sale	10	6,550	6,832	6,550	6,843
Impairment of intangibles	11	5,144	(4,988)	5,144	0
Inventory write-downs	6	756	2,848	756	478
Litigation settlements		0	0	0	(469)
Loss on disposal of investment		0	1,041	0	0
Loss on disposal of property, plant and equipment, and assets held for sale		3,137	0	3,137	529
Loss on disposal of trust operations		0	2,115	0	0
Marketing expenses		22,870	26,648	22,551	9,091
Minor assets		2,301	1,786	2,298	(84)
Net increase/(decrease) bad and doubtful debts provision	5	3,354	(2)	3,354	620
Occupancy expense		47,822	40,458	49,128	6,877
Operating expenses related to investment property		0	(181)	0	(8)
Operating lease payments		28,208	25,894	26,074	6,078
Other expenditure		106,338	88,782	103,794	10,697
Professional services		20,971	24,784	20,954	13,437
Research & development expense		2,432	3,495	2,432	1,579
Scholarships		6,970	7,916	6,625	732
Total general costs		**436,104**	**421,841**	**428,559**	**766,635**
Total administration and other expenditure		**440,299**	**426,401**	**432,698**	**768,013**
Total expenditure		**1,409,527**	**1,356,313**	**1,395,542**	**1,016,220**

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.

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 encumbered cash reserves retained within the region in which they were generated. These encumbered 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 encumbered 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 2023	Actual 2022	Actual 2023	Actual 2022
Cash at bank and on hand		291,879	226,205	287,940	167,933
Call deposits		14,524	27,008	10,411	21,503
Term deposits with maturities of 3 months or less at acquisition		32,502	84,426	32,502	82,903
Total cash and cash equivalents		**338,905**	**337,639**	**330,853**	**272,339**

** for details of cash with restricted use refer to Note 21*

Notes to the Financial Statements

for the year ended 31 December 2023

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 Expected Credit Loss (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 2023	Actual 2022	Actual 2023	Actual 2022
Student fee receivables					
Student fee receivables		86,229	70,169	85,129	67,022
Less: allowance for credit losses		(5,946)	(4,020)	(5,946)	(2,431)
Net student fee receivables		**80,283**	**66,149**	**79,183**	**64,591**
Other receivables					
Other receivables		29,560	28,461	32,128	13,926
Less: allowance for credit losses		(1,122)	(434)	(1,104)	(371)
Net other receivables		**28,438**	**28,027**	**31,024**	**13,555**
Related party receivables					
Related party receivables		0	24,872	2,292	15,202
Less: allowance for credit losses		0	(118)	0	(118)
Net related party receivables		**0**	**24,754**	**2,292**	**15,084**
Government funding		10,400	19,545	10,401	12,662
Total receivables		**119,121**	**138,475**	**122,900**	**105,892**
Classification					
Receivables classified as exchange transactions		63,713	16,428	67,492	19,975
Receivables classified as non-exchange transactions		55,408	122,047	55,408	85,917
Total receivables		**119,121**	**138,475**	**122,900**	**105,892**
Current portion of student fees and other receivables		119,121	136,632	122,900	104,049
Non-current portion of student fees and other receivables		0	1,843	0	1,843
Total net receivables		**119,121**	**138,475**	**122,900**	**105,892**

2023	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 (%)	0.58%	4.78%	5.36%	13.80%	38.00%	0.59%	4.84%	5.41%	13.88%	38.41%
Gross carrying amount	65,066	4,357	1,512	2,257	13,037	64,158	4,304	1,500	2,244	12,923
Total student fee receivables lifetime expected credit loss	**388**	**209**	**81**	**311**	**4,957**	**388**	**208**	**81**	**311**	**4,958**
Other receivables										
Expected credit loss (%)	0.00%	0.01%	1.76%	6.68%	42.60%	0.00%	0.01%	1.77%	6.69%	42.19%
Gross carrying amount	21,686	3,045	1,600	783	2,444	24,308	3,020	1,593	782	2,425
Total other receivables lifetime expected credit loss	**0**	**0**	**28**	**52**	**1,041**	**0**	**0**	**28**	**52**	**1,023**
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	0	0	0	0	0	0	2,292	0	0	0
Total related party receivables lifetime expected credit loss	0	0	0	0	0	0	0	0	0	0
Total lifetime expected credit loss	388	209	109	364	5,998	388	208	109	364	5,981

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for the year ended 31 December 2023

5. STUDENT FEES AND OTHER RECEIVABLES (CONTINUED)

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	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	**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	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	**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	24,872	0	0	0	0	15,202	0	0	0	0
Total related party receivables lifetime expected credit loss	**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**

All in $000s	Note	Group Actual 2023	Group Actual 2022	Parent Actual 2023	Parent Actual 2022
Movements in the provision for impairment of receivables					
Balance brought forward		(4,572)	(4,268)	(2,398)	0
Acquired on amalgamation		0	0	(523)	(2,681)
Additional provisions made during the year		(4,250)	(1,601)	(5,882)	(999)
Provisions adjustments during the year		(372)	386	(372)	(121)
Receivables written-off during the year		2,125	911	2,115	881
At 31 December		**(7,079)**	**(4,572)**	**(7,060)**	**(2,920)**

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 2023	Group Actual 2022	Parent Actual 2023	Parent Actual 2022
Building stock		4,857	3,629	4,857	3,629
Other inventory		4,897	4,236	3,839	2,440
Total inventory carrying value		**9,754**	**7,865**	**8,696**	**6,069**
Inventories recognised as an expense		47	2,840	47	1,836
Inventories write-down recognised as an expense		756	8	756	(1,358)
Total inventory expense		**803**	**2,848**	**803**	**478**

Notes to the Financial Statements

for the year ended 31 December 2023

7. ASSETS HELD FOR SALE

Assets held for sale

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.

		Group		Parent	
All in $000s	Note	Actual 2023	Actual 2022	Actual 2023	Actual 2022
Property held for sale		8,250	9,735	8,250	9,735
Total assets held for sale		**8,250**	**9,735**	**8,250**	**9,735**
consists of:					
Land		7,250	8,065	7,250	8,065
Buildings		1,000	1,670	1,000	1,670
Total assets held for sale		**8,250**	**9,735**	**8,250**	**9,735**

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 2023	Actual 2022	Actual 2023	Actual 2022
Non-current asset portion					
Interest rate swaps		392	311	0	311
Total non-current asset portion		**392**	**311**	**0**	**311**
Non-current liability portion					
Interest rate swaps		0	0	0	0
Total non-current liability portion		**0**	**0**	**0**	**0**
Total derivative instruments		**392**	**311**	**0**	**311**

Notes to the Financial Statements

for the year ended 31 December 2023

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.

Staff positions disestablished prior to 31 December. If not redeployed within Te Pukenga prior to the end of notice period the employment would terminate by the way of redundancy.

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.

MIT division sublease leave potential

Provision for possible sublease levy payable to Auckland Council by MIT. Legal advisors are discussing the validity of terms as the original lease was not signed with these terms in it and they cannot be backdated in a new lease agreement.

BCITO division lease make good

BCITO’s Palmerston North property lease includes a make good provision that requires them, as tenant, to return premises to the original condition. This provision places an obligation on BCITO to undo any renovations or repair any damage done to the premises before the lease ends.

Competenz division lease make good

Competenz leases 1,828m sq of office space at Newmarket, Auckland. The lease has a make good provision payable when the lease expires on 28 June, 2024. The make good amount payable is $85 per square metre, with a CPI adjustment calculated at 1.28. The original liability was $155,426 but with the CPI adjustment has increased to $199,538.

ServiceIQ division lease make good

Office lease make good for the ServiceIQ division Auckland office in 2024 is $47k.

PrimaryITO division lease make good

The PrimaryITO division Christchurch office lease make good is $40k.

SIT Auckland campus closes after flooding

The MAINZ campus in Auckland sustained substantial damage from flooding in 2023, which forced it to permanently close. Provisions are being made to ensure rennovations and improvements are made prior to the conclusion of the lease.

Queenstown campus relocates

The Queenstown campus of Southern Lakes English College has been relocated to SIT’s Frankton campus to save costs while the building is rennovated before the lease ends.

Onerous lease

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

Hamilton campus onerous lease

WITT closed its Hamilton campus on 31 December 2020 due to an onerous lease. The lease ends October 2025.

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 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 spent over the period of the whole lease. Careerforce offers scholarships to under-served learners who wish to undertake apprenticeship programmes. This provision recognises an estimated future cost/obligation for learners who were enrolled prior to 31 December 2023. This is based on the nominal duration of the programme.

Funds received from Service Skills Institute to be allocated to industry per funding agreement - these are ring-fenced funds. Prior to 31 December 2023, commitments of $680k had been made.

All in $000s	Note	Group Actual 2023	Group Actual 2022	Parent Actual 2023	Parent Actual 2022
Current portion					
Onerous lease provision		101	2,586	101	2,033
Lease make good provision		1,834	733	1,834	91
Other provisions		3,393	5,195	2,474	2,816
Total current portion		**5,328**	**8,514**	**4,409**	**4,940**
Non current portion					
Onerous lease provision		0	1,837	0	3,099
Lease make good provision		326	3,374	326	414
Other provisions		6,573	4,800	2,718	1,841
Total non-current portion		**6,899**	**10,011**	**3,044**	**5,354**
Total provisions		**12,227**	**18,525**	**7,453**	**10,294**

Fuji Xerox settlement payment for 2014 MFD contract is due on lease term end date 30/9/2024 for WelTec and Whitireia.

2023	Group						Parent					
All in $000s	Opening Balance 1 Jan 2023	Acquired on Amalgamation	Increase to provision	Charged against provision	Unused amounts reversed	Closing Balance 31 Dec 2023	Opening Balance 1 Jan 2023	Acquired on amalgamation	Increase to provision	Charged against provision	Unused amounts reversed	Closing Balance 31 Dec 2023
Provision												
Onerous lease provision	6,180	0	495	(6,574)	0	101	2,427	0	0	(2,326)	0	101
Lease make good provision	645	0	2,124	(314)	(296)	2,159	712	207	1,850	(314)	(296)	2,159
Other provisions	11,700	0	3,411	(5,144)	0	9,967	7,155	2,900	1,862	(6,724)	0	5,193
Total Provisions	**18,525**	**0**	**6,030**	**(12,032)**	**(296)**	**12,227**	**10,294**	**3,107**	**3,712**	**(9,364)**	**(296)**	**7,453**

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)	7,155
Total Provisions	**22,334**	**159**	**6,125**	**(3,116)**	**(6,977)**	**18,525**	**0**	**13,437**	**5,527**	**(2,151)**	**(6,520)**	**10,294**

Notes to the Financial Statements

for the year ended 31 December 2023

10. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

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

Revaluation

Land and buildings 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:
  - Structure: 25 to 100 years, 1% to 4%
  - Services: 10 to 50 years, 2% to 10%
  - Fitout: 25 to 40 years, 2.5% to 4%
- Leased assets and 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

Leased assets and 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.

Heritage Assets

Te Pūkenga 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.

Some 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 2023.

Revaluations

An independent valuation was obtained to determine the fair value of land and, buildings. Fair value is determined by reference to an open market basis, being the amount for which assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's - length transaction at the valuation date for land and buildings of a non-education specific nature.

Land and buildings were revalued as at 31 December 2023 by Colliers Ltd. The next revaluation is due 31 December 2026.

The valuer had estimated the depreciated replacement cost using a number of significant assumptions. These significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from construction costs detailed in QV builder, costs through the valuers experience with similar assets within New Zealand, and actual cost data relating to recent improvements. The range of rates used vary from $950 to $5,600 per sqm.
- The remaining useful life of assets is estimated against the age of the components taking into account alterations of additions, their present condition, expected future utility and total useful life. In determining useful lives Colliers Ltd have considered industry accepted building loss cycle factors, Treasury Guidelines and Colliers Ltd own experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset. Nonspecialised buildings (for example, residential buildings) are valued at fair value using market-based evidence.

Excluded assets include loose plant and equipment and similar assets such as furniture, workbenches, computers and workshop tools.

Manukau Campus
MIT - Stage 2 of the Manukau campus has a condition of the leesee's interest which states can be called for surrender by the landlord if it remains undeveloped within 10 years of commencement of the lease being September 2028. MIT has no plans to develop this land, therefore the valuer has assumed this will be surrendered in September 2028. This means stage 2 assessment of land for the rail trench has a value of $0 as the area offers no utlity.

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.

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

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

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.

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

There are some underground assets (such as electrical, water supply, gas supply, communications, sewer, stormwater, ducts) and some above ground assets (such as asphalt, covered ways, walls, roads, planting) which have been previously classified as infrastructure. Te Pūkenga policy is that these assets do not meet the definition of infrastructure per PBE IPSAS 17 and Collier's valuations have included these above ground assets as line items and the underground assets as incorporated into the value of the buildings, where appropriate. There were also some revaluation reserves attached to these infrastructure assets which have also been reclassified as property revaluation reserves. The adjustment for these assets previously classified as infrastructure has been made as follow:

Asset class	Group		Parent	
All in $000s	Actual 2023	Actual 2022	Actual 2023	Actual 2022
Infrastructure	(65,900)	(89,244)	(65,899)	(89,240)
Buildings	65,900	89,244	65,899	89,240
Assets under construction				
Infrastructure	(845)	(436)	(845)	(22,858)
Buildings	845	436	845	22,858
Revaluation reserves				
Infrastructure	n/a	(5,570)	n/a	(5,570)
Property	n/a	5,570	n/a	5,570

Leased assets and leasehold improvements
Leased assets and leasehold improvements are valued at cost and have been depreciated. The leased assets at Ara campuses have previously been classified under buildings. These assets have now been reclassified under leased assets and leasehold improvements to be consistent with other

The adjustment for these assets previously classified as buildings has been made as follow:

Asset class	Group		Parent	
All in $000s	Actual 2023	Actual 2022	Actual 2023	Actual 2022
Cost or Fair Value				
Leased asset and leasehold improvements	0	34,298	0	34,298
Buildings	0	(34,298)	0	(34,298)
Depreciation				
Leased asset and leasehold improvements	(758)	0	(758)	0
Buildings	758	0	758	0
Accumulated Depreciation				
Leased asset and leasehold improvements	(1,546)	(788)	(1,546)	(788)
Buildings	1,546	788	1,546	788
Net Book Value				
Leased asset and leasehold improvements	(1,546)	33,510	(1,546)	33,510
Buildings	1,546	(33,510)	1,546	(33,510)

Notes to the Financial Statements

for the year ended 31 December 2023

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group								
All in $000s	Land	Buildings	Leased assets and leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Property, plant and equipment									
Cost or Fair Value - 1 January 2023	551,525	1,638,022	91,638	211,149	133,276	24,426	3,860	43,614	2,697,510
Accumulated Depreciation - 1 January 2023	0	(84,563)	(25,066)	(145,093)	(94,808)	(17,861)	(68)	(36,219)	(403,678)
Net Carrying Value - 1 January 2023	**551,525**	**1,553,459**	**66,572**	**66,056**	**38,468**	**6,565**	**3,792**	**7,395**	**2,293,832**
Additions	0	91,673	4,223	10,448	8,179	1,620	86	1,258	117,487
Reclassifications	(3,961)	(2,066)	(466)	(491)	(43)	0	5	(21)	(7,043)
Net Revaluation	(41,729)	7,353	0	0	0	0	0	0	(34,376)
Disposals	(2,129)	(403)	(701)	(7,211)	(6,576)	(1,160)	0	(356)	(18,536)
Depreciation on Disposals	0	74	414	5,971	7,172	932	0	308	14,871
Reverse Accumulated Depreciation – Reclassification	0	(2,437)	(7)	347	(2)	0	0	8	(2,091)
Reverse Accumulated Depreciation – Revaluation Write Back	0	109,784	0	0	0	0	0	0	109,784
Reverse Accumulated Impairment Loss - Disposal	0	0	0	0	15	0	0	0	15
Impairment Losses Expensed in P&L	0	(2,879)	0	(504)	(1,343)	0	0	(13)	(4,739)
Impairment Loss (on Revalued Asset) Expense to Revaluation Reserve	0	88	0	0	0	0	0	0	88
Depreciation	0	(59,460)	(4,622)	(15,558)	(16,621)	(1,904)	(6)	(1,645)	(99,816)
Cost or Fair Value	503,706	1,734,579	94,694	213,895	134,836	24,886	3,951	44,495	2,755,042
Accumulated Depreciation	0	(39,393)	(29,281)	(154,837)	(105,587)	(18,834)	(74)	(37,561)	(385,566)
Net Carrying Value - 31 December 2023	**503,706**	**1,695,186**	**65,413**	**59,060**	**29,249**	**6,052**	**3,877**	**6,933**	**2,369,476**

All in $000s	Group								
	Land	Buildings	Leased assets and leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Assets under construction									
Opening Value - 1 January 2023	0	62,872	1	4,491	1,859	140	49	15	69,427
Additions	0	38,200	2,687	5,042	5,258	451	37	446	52,121
Reclassification	0	1,961	25	(2,096)	2	1	(1)	(1)	(109)
Expensed	0	(1,921)	0	(199)	(68)	0	0	0	(2,188)
Capitalisations	0	(88,178)	(2,480)	(6,026)	(6,547)	(558)	(85)	(441)	(104,315)
Closing Value - 31 December 2023	**0**	**12,934**	**233**	**1,212**	**504**	**34**	**0**	**19**	**14,936**

Restrictions on title
Under the Education and Training Act 2020, the Institute is required to obtain the consent from the Ministry of Education to dispose of land and buildings. For plant and equipment there is an asset disposal limit formula providing a limit up to which a TEI may dispose of plant and equipment without seeking the approval from the Ministry of Education. All restrictions have been complied with. 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. The Institute does not consider it practical to disclose in detail the value of land subject to these restrictions.

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

Cylone Gabrielle damage to Taradale campus
On 14 February 2023, Cyclone Gabrielle caused extensive damage to the campus based at Taradale, Napier. 90% of the campus was adversely impacted, requiring due consideration for financial reporting purposes as at reporting date.

The campus has been revalued, for financial reporting purposes, on a fully remediated basis (i.e., all repairs have been completed, and the campus is fully operational). To determine the appropriate value of the campus as at reporting date, an impairment has been calculated as the amount by which the carrying amount of an asset exceeds its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income and Expense unless the asset is carried at a revalued amount. Any impairment loss of a revalued assets is treated as a valuation decrease in the Asset Revaluation Reserve.

In determining the level of impairment to be applied against the revalued land and buildings based at Taradale, the following factors were considered:

- Total estimated restoration costs, being the costs required to restore the campus to its original working order.
- Costs deemed to be relating to betterment / deferred maintenance / change of use costs were removed from the restoration costs.
- General repairs and maintenance costs are deemed to not be capital in nature and should be expensed.

The impairment for the Taradale campus has been determined for each class of assets as follow:

Class of assets	Impairment $
Land	2,500,000
Building & Services	18,865,000
Total Hawke's Bay Campus	21,365,000

All impairment and valuation reductions in 2023 for land and buildings has had the effect of a reduction in the Asset Revaluation Reserves.

Assets not categorised as Land and Buildings have been identified in the following categories and were also subject to extensive damage (and therefore, met the impairment test):
- Furniture & Equipment
- Computer Hardware
- Motor Vehicles
- Library (books)

The total impairment recognised in the Statement of Comprehensive Income and Expense for these damaged assets amounts to $1.9M and is reflective of the net book value of the assets destroyed by Cyclone Gabrielle.

Furthermore, expenses arising from additional costs incurred as a result of Cyclone Gabrielle have been accounted for in the Statement of Comprehensive Revenue and Expense.

Notes to the Financial Statements

for the year ended 31 December 2023

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Parent								
All in $000s	Land	Buildings	Leased assets and leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Property, plant and equipment									
Cost or Fair Value - 1 January 2023*	536,728	1,625,727	88,378	207,576	129,040	21,009	3,861	43,604	2,655,923
Accumulated Depreciation - 1 January 2023*	0	(83,699)	(24,276)	(143,499)	(93,331)	(17,270)	(68)	(36,226)	(398,369)
Net Carrying Value - 1 January 2023*	**536,728**	**1,542,028**	**64,102**	**64,077**	**35,709**	**3,739**	**3,793**	**7,378**	**2,257,554**
Acquired on amalgamation - Gross Cost	0	0	1,088	2,400	4,090	3,417	0	0	10,995
Additions	0	91,674	4,223	10,435	8,169	1,620	86	1,258	117,465
Reclassifications	(4,449)	(2,376)	1,087	(664)	(74)	(1)	4	(4)	(6,477)
Net Revaluation	(48,468)	11,801	0	0	0	0	0	0	(36,667)
Disposals	(2,089)	(403)	(701)	(7,211)	(6,561)	(1,160)	0	(356)	(18,481)
Acquired on amalgamation - Accumulated Depreciation	0	0	(172)	(678)	(1,321)	(591)	0	0	(2,762)
Depreciation on Disposals	0	74	414	5,936	7,172	931	0	308	14,835
Reverse Accumulated Depreciation – Reclassification	0	(2,437)	(7)	382	0	0	0	8	(2,054)
Reverse Accumulated Depreciation – Revaluation Write Back	0	107,746	0	0	0	0	0	0	107,746
Reverse Accumulated Impairment Loss - Disposal	0	0	0	0	(2)	0	0	0	(2)
Reverse Accumulated Impairment Loss Expensed	0	0	0	0	0	21	0	0	21
Impairment Losses Expensed in P&L	0	(2,879)	0	(504)	(1,343)	(21)	0	(13)	(4,760)
Impairment Loss (on Revalued Asset) Expense to Revaluation Reserve	0	88	0	0	0	0	0	0	88
Depreciation	0	(58,899)	(4,621)	(15,482)	(16,613)	(1,904)	(6)	(1,645)	(99,170)
Cost or Fair Value	481,722	1,726,423	94,075	212,536	134,664	24,885	3,951	44,502	2,722,758
Accumulated Depreciation	0	(40,006)	(28,662)	(153,845)	(105,438)	(18,834)	(74)	(37,568)	(384,427)
Net Carrying Value - 31 December 2023	**481,722**	**1,686,417**	**65,413**	**58,691**	**29,226**	**6,051**	**3,877**	**6,934**	**2,338,331**

**Assets Amalgamated during 2022 were recognised on amalgamation at Net Book Value. However, Te Pūkenga has continued to account for these as if the Cost and Accumulated depreciation were transferred on amalgamation. The opening balances for 1 January 2023 have therefore been grossed up to recognise the cost and accumulated depreciation for these assets. The Net Book Value is unchanged.*

Parent									
	Land	Buildings	Leased assets and leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Assets under construction									
Opening Value - 1 January 2023	0	62,570	1	4,442	1,851	140	49	14	69,067
Additions	0	37,989	2,687	5,042	5,258	451	37	446	51,910
Expensed	0	(1,922)	0	(199)	(68)	0	0	0	(2,189)
Reclassification	0	2,263	25	(2,047)	10	1	0	0	252
Capitalisations	0	(88,178)	(2,480)	(6,026)	(6,547)	(558)	(85)	(441)	(104,315)
Closing Value - 31 December 2023	**0**	**12,723**	**233**	**1,212**	**504**	**34**	**1**	**19**	**14,725**

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for the year ended 31 December 2023

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group								
All in $000s	Land	Buildings	Leased assets and 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	1,646,120	60,794	219,890	151,472	22,981	3,522	46,999	2,695,737
Accumulated Depreciation - 31 December 2021	0	(19,321)	(17,097)	(151,921)	(113,356)	(17,484)	(65)	(38,575)	(357,819)
Net Carrying Value - 1 January 2022	**543,959**	**1,626,799**	**43,697**	**67,969**	**38,116**	**5,497**	**3,457**	**8,424**	**2,337,918**
Additions	0	47,388	167	14,854	16,580	2,478	64	1,198	82,729
Acquired on Amalgamation	0	0	2,132	508	1,383	949	0	0	4,971
Reclassifications	12,585	(223)	415	(397)	3	(25)	0	0	12,358
Reclassification asset type under Buildings	0	(34,298)	34,298	0	0	0	0	0	0
Net Revaluation	(3,349)	5,031	0	0	0	0	0	0	1,682
Disposals	(1,670)	(25,996)	(6,168)	(23,706)	(36,162)	(1,957)	274	(4,583)	(99,967)
Depreciation on Disposals	0	15,284	3,095	22,583	35,383	1,673	0	4,567	82,584
Reverse Accumulated Depreciation – Reclassification	0	1	(64)	44	(1)	22	0	0	3
Reverse Accumulated Depreciation – Revaluation Write Back	0	7,580	0	0	0	0	0	0	7,580
Reverse Accumulated Impairment Loss - Reclassification	0	(46)	0	0	0	0	0	0	(46)
Reclassification asset type under Buildings	0	788	(788)	0	0	0	0	0	0
Impairment Losses Expensed in P&L	0	(90)	(6,452)	(297)	7	0	0	0	(6,832)
Impairment Loss (on Revalued Asset) Expense to Revaluation Reserve	0	(28,726)	0	0	0	(43)	0	0	(28,769)
Depreciation	0	(60,033)	(3,760)	(15,501)	(16,842)	(2,029)	(3)	(2,211)	(100,379)
Cost or Fair Value	551,525	1,638,022	91,638	211,149	133,276	24,426	3,860	43,614	2,697,510
Accumulated Depreciation	0	(84,563)	(25,066)	(145,092)	(94,809)	(17,861)	(68)	(36,219)	(403,678)
Net Carrying Value - 31 December 2022	**551,525**	**1,553,459**	**66,572**	**66,057**	**38,467**	**6,565**	**3,792**	**7,395**	**2,293,832**

All in $000s	Group								
	Land	Buildings	Leased assets and leasehold improvements	Furniture and equipment	Computer hardware	Motor vehicles	Heritage collection	Library collection	Total
Assets under construction									
Opening Value - 1 January 2022	0	56,624	147	3,692	1,775	236	0	90	62,564
Additions	0	46,003	27	9,596	7,720	426	50	400	64,222
Expensed	0	(1,068)	0	0	(68)	(12)	0	(86)	(1,234)
Capitalisations	0	(38,687)	(173)	(8,797)	(7,568)	(510)	(1)	(389)	(56,125)
Closing Value - 31 December 2022	**0**	**62,872**	**1**	**4,491**	**1,859**	**140**	**49**	**15**	**69,428**

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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Parent									
All in $000s	Land	Buildings	Leased assets and 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	64	30	287	0	0	0	381
Accumulated Depreciation - 31 December 2021	0	0	(3)	(11)	(39)	0	0	0	(53)
Net Carrying Value - 1 January 2022	**0**	**0**	**61**	**19**	**248**	**0**	**0**	**0**	**328**
Additions	0	7,888	(500)	3,219	3,424	62	6	453	14,552
Acquired on Amalgamation	536,728	1,583,315	40,088	65,078	36,721	3,981	3,788	7,489	2,277,188
Reclassifications	0	(30)	0	28	3	0	0	0	1
Reclassification asset type under Buildings	0	(34,298)	34,298	0	0	0	0	0	0
Disposals	0	(200)	(795)	(1,248)	(7,624)	(168)	(1)	(137)	(10,173)
Depreciation on Disposals	0	919	(739)	1,213	7,220	302	0	144	9,059
Reverse Accumulated Depreciation – Reclassification	0	8	0	**1**	(3)	0	0	0	6
Reverse Accumulated Impairment Loss - Reclassification	0	(46)	0	0	0	0	0	0	(46)
Reclassification asset type under Buildings	0	788	(788)	0	0	0	0	0	0
Impairment Losses Expensed in P&L	0	(90)	(6,452)	(301)	0	0	0	0	(6,843)
Impairment Loss (on Revalued Asset) Expense to Revaluation Reserve	0	0	0	0	0	(43)	0	0	(43)
Depreciation	0	(16,226)	(1,071)	(3,932)	(4,280)	(395)	0	(571)	(26,475)
Cost or Fair Value	536,728	1,556,675	73,155	67,107	32,811	3,875	3,793	7,805	2,281,949
Accumulated Depreciation	0	(14,647)	(9,053)	(3,030)	2,898	(136)	0	(427)	(24,395)
Net Carrying Value - 31 December 2022	**536,728**	**1,542,028**	**64,102**	**64,077**	**35,709**	**3,739**	**3,793**	**7,378**	**2,257,554**

All in $000s	Parent								
	Land	Buildings	Leased assets and 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
Acquired on Amalgamation	0	59,250	0	3,822	1,625	102	25	142	64,966
Additions	0	7,589	1	3,252	1,526	91	24	142	12,625
Expensed	0	(352)	0	394	141	(12)	0	0	171
Capitalisations	0	(3,917)	0	(3,026)	(1,441)	(41)	0	(270)	(8,695)
Closing Value - 31 December 2022	**0**	**62,570**	**1**	**4,442**	**1,851**	**140**	**49**	**14**	**69,067**

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for the year ended 31 December 2023

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 10% to 50%.
- All other intangible assets 2 to 10 years 10% to 50%.

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 - 1 January 2023	159,662	407	66,070	9,508	2,322	237,969
Accumulated Amortisation - 1 January 2023	(125,463)	(407)	(44,039)	(4,952)	(1,432)	(176,293)
Net Carrying Value - 1 January 2023	**34,199**	**0**	**22,031**	**4,556**	**890**	**61,676**
Additions	5,646	0	6,027	3,751	558	15,981
Reclassifications	72	720	(112)	331	0	1,011
Disposals	(1,964)	0	(30)	0	(1,330)	(3,323)
Amortisation on Disposals	1,367	0	1	0	1,330	2,698
Reverse Accumulated Amortisation – Reclassification	13	0	18	(24)	0	7
Reverse Accumulated Impairment Loss Expensed	906	0	906	0	0	1,812
Impairment Losses expensed	(1,198)	0	(2,283)	0	0	(3,481)
Amortisation	(14,191)	(720)	(8,117)	(1,308)	(549)	(24,885)
Cost or Fair Value	163,416	1,127	71,955	13,590	1,550	251,638
Accumulated Amortisation	(138,566)	(1,127)	(53,514)	(6,284)	(651)	(200,142)
Net Carrying Value - 31 December 2023	**24,850**	**0**	**18,441**	**7,306**	**899**	**51,496**

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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 2023	733	0	8,436	14	0	9,183
Additions	1,455	0	9,916	339	0	11,710
Expensed	(57)	0	(2,889)	(87)	0	(3,033)
Reclassifications	(49)	0	(885)	255	0	(679)
Capitalisations	(1,991)	0	(7,305)	(339)	0	(9,635)
Closing Value - 31 December 2023	**91**	**0**	**7,273**	**182**	**0**	**7,546**

	Parent					
Intangibles						
Cost or Fair Value - 1 January 2023*	157,041	0	51,962	7,882	2,562	219,447
Accumulated Amortisation - 1 January 2023*	(124,774)	0	(35,873)	(4,791)	(1,672)	(167,110)
Net Carrying Value - 1 January 2023	**32,267**	**0**	**16,089**	**3,091**	**890**	**52,337**
Acquired on amalgamation - Gross cost	2,437	900	8,332	887	0	12,556
Additions	5,646	0	5,855	3,242	558	15,301
Reclassifications	31	0	315	38	0	384
Disposals	(1,964)	0	(30)	0	(1,330)	(3,324)
Acquired on amalgamation - Provision Depreciation	(535)	(180)	(3,105)	(132)	0	(3,952)
Amortisation on Disposals	1,367	0	1	0	1,330	2,698
Reverse Accumulated Amortisation – Reclassification	13	0	18	(24)	0	7
Reverse Accumulated Impairment Loss Expensed	906	0	906	0	0	1,812
Impairment Losses Expensed in P&L	(1,198)	0	(2,283)	0	0	(3,481)
Amortisation	(14,155)	(720)	(8,006)	(951)	(549)	(24,381)
Cost or Fair Value	163,191	900	66,434	12,049	1,790	244,364
Accumulated Amortisation	(138,376)	(900)	(48,342)	(5,898)	(891)	(194,407)
Net Carrying Value - 31 December 2023	**24,815**	**0**	**18,092**	**6,151**	**899**	**49,957**

**Opening balances adjusted to reflect Gross costs and Provision Depreciation. In 2022 business combination assets were brought in as a net amount as per previous policy. This is now changed to gross to be consistent with other asset discloures.*

All in $000s	Parent					
	Computer software	Goodwill	Course development	Other intangible assets	Lease assets	Total
Assets under construction						
Opening Value - 1 January 2023	684	0	4,748	14	0	5,446
Acquired on amalgamation	0	0	3,117	0	0	3,117
Additions	1,455	0	9,743	417	0	11,615
Expensed	(58)	0	(2,887)	(15)	0	(2,960)
Reclassification	0	0	(315)	0	0	(315)
Capitalisations	(1,991)	0	(7,132)	(416)	0	(9,539)
Closing Value - 31 December 2023	**90**	**0**	**7,274**	**0**	**0**	**7,364**

All in $000s	Group					
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	1787	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 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**
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**

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11. INTANGIBLE ASSETS (CONTINUED)

	Parent					
All in $000s	Computer software	Goodwill	Course development	Other intangible assets	Lease assets	Total
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 Impairment Loss - Disposal	0	0	0	0	29	29
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**

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 one.

The former ITPs had investments in below 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:

2023	Ownership %	Balance date	Entity Classification
Subsidiary/Associate/Joint venture			
Ara Foundation	100	31 Dec 2023	Subsidiary
Otautahi Education Development Trust (OEDT)	100	31 Dec 2023	Subsidiary
Te Aho a Maui Limited	100	31 Dec 2023	Subsidiary
Nelson Polytechnic Educational Society Incorporated	100	31 Dec 2023	Subsidiary
Open Education Resource Foundation Limited	100	31 Dec 2023	Subsidiary
OPAIC Limited Partnership	50	31 Dec 2023	Joint Venture
Otago Polytechnic Education Foundation Trust	100	31 Dec 2023	Subsidiary
Southern Lakes English College	100	31 Dec 2023	Subsidiary
Unitec Trust	100	31 Dec 2023	Subsidiary
Unitec Apprenticeship Training Trust	100	31 Dec 2023	Subsidiary
Soda Inc Ltd	100	31 Dec 2023	Subsidiary
Motortrain Limited	100	31 Dec 2023	Subsidiary
Polytechnics International New Zealand (PINZ)	100	31 Dec 2023	Subsidiary
Wintec Foundation Trust	100	31 Dec 2023	Subsidiary
LearningWorks Ltd	100	31 Dec 2023	Subsidiary
WelTec Student Accommodation Limited	100	31 Dec 2023	Subsidiary

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12. INVESTMENT IN ASSOCIATES, JOINT VENTURES AND SUBSIDIARIES (CONTINUED)

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 Dec 2022	Subsidiary
Otautahi Education Development Trust (OEDT)	100	31 Dec 2022	Subsidiary
Te Aho a Maui Limited	100	31 Dec 2022	Subsidiary
Nelson Polytechnic Educational Society Incorporated	100	31 Dec 2022	Subsidiary
ESA publications (NZ) Limited	100	31 Dec 2022	Subsidiary
Open Education Resource Foundation Limited	100	31 Dec 2022	Subsidiary
OPAIC Limited Partnership	50	31 Dec 2022	Joint Venture
Otago Polytechnic Education Foundation Trust	100	31 Dec 2022	Subsidiary
Southern Lakes English College	100	31 Dec 2022	Subsidiary
Unitec Trust	100	31 Dec 2022	Subsidiary
Unitec Apprenticeship Training Trust	100	31 Dec 2022	Subsidiary
Soda Inc Ltd	100	31 Dec 2022	Subsidiary
Motortrain Limited	100	31 Dec 2022	Subsidiary
Polytechnics International New Zealand (PINZ)	100	31 Dec 2022	Subsidiary
Wintec Foundation Trust	100	31 Dec 2022	Subsidiary
LearningWorks Ltd	100	31 Dec 2022	Subsidiary
Te Pūkenga - Work Based Learning Limited	100	31 Dec 2022	Subsidiary
WelTec Student Accommodation Limited	100	31 Dec 2022	Subsidiary

The business activity of all above relates to the provision of Tertiary vocational education.

The 2022 disclosures were incorrect for Mototrain Limited. The ownership % has been amended from 25% to 100% and the entity classification has been amended from Associate to Subsidiary.

The 2022 disclosure for Mondragon-Wintec Saudia Arabia LLC (previous noted as a 100% subsidiary), has been removed from this list of subsidiaries, as this entity was dissolved in 2020.

The 2022 disclosure for Wintec KSA Limited (previously noted as 100% subsidiary) has been removed from this list of subsidiaries, as this entity was dissolved 10 November 2022.

All in $000s	Group Actual 2023	Group Actual 2022	Parent Actual 2023	Parent Actual 2022
Carrying value of investments as at 31 December:				
ESA publications (NZ) Limited	1,881	0	1,881	1,881
Southern Lakes English College	0	0	0	250
Unitec Trust	331	0	331	0
OPAIC Limited Partnership	2,225	943	2,225	943
Total	**4,437**	**943**	**4,437**	**3,074**

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 2023	2023				31 Dec 2023
All in $000s	Opening Value	Additions	Reclassifications	Revaluation	Disposals	Closing Value
Investment property						
OEDT - Ara	3,290	0	0	(40)	0	3,250
Total investment property	**3,290**	**0**	**0**	**(40)**	**0**	**3,250**

The valuation of investment property for the Ōtautahi Education Development Trust (OEDT) as at 31 December 2023 was performed by an independent registered valuer, Telfer Young, on 31 December 2023. Telfer Young are experienced valuers with extensive market knowledge in the types and location of investment property owned by the Group.

	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**

The valuation of investment property for OEDT 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 Parent has no Investment Properties in either 2022 or 2023.

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 2023	Restated Actual 2022*	Actual 2023	Actual 2022
Payables under exchange transactions					
Trade payables		12,494	46,948	11,181	30,061
Related party payables		0	0	0	2,918
Other payables		86,590	35,311	83,721	46,465
Total payables under exchange transactions		**99,084**	**82,259**	**94,902**	**79,444**
Payables under non-exchange transactions					
Other payables		56,842	54,984	56,795	25,998
Related party payables		0	0	950	8,487
Net GST payable/(receivable)		11,451	20,035	11,301	18,464
Total payables under non-exchange transactions		**68,293**	**75,019**	**69,046**	**52,949**
Total trade and other payables		**167,377**	**157,278**	**163,948**	**132,393**

**Restated actual refer to Note 31 Retrospective Restatement of Errors*

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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, and 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 expenses in the surplus or deficit when incurred.

		Group		Parent	
All in $000s	Note	Actual 2023	Actual 2022	Actual 2023	Actual 2022
Employee entitlements					
Accrued pay		6,507	7,986	6,402	7,468
Annual leave		52,586	49,952	52,373	41,626
Sick leave		2,491	1,483	2,491	1,479
Long service leave		2,477	2,571	2,478	2,575
Retirement leave		2,380	2,126	2,380	2,126
Restructuring provision		194	130	194	130
Other employee entitlements		2,924	3,437	2,893	2,826
Total employee benefit liabilities		**69,559**	**67,685**	**69,211**	**58,230**
Current portion		66,034	63,868	65,686	54,436
Non-current portion		3,525	3,817	3,525	3,794
Total employee benefit liabilities		**69,559**	**67,685**	**69,211**	**58,230**

16. REVENUE RECEIVED IN ADVANCE

ACCOUNTING POLICY

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

Work based learning divisions 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 the 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 2023	Actual 2022	Actual 2023	Actual 2022
Revenue received in advance					
Government grants		14,166	41,168	14,166	38,231
Students' fees		142,707	121,226	141,832	116,286
Other revenue received in advance		28,028	19,524	26,767	7,424
Total revenue received in advance		**184,901**	**181,918**	**182,765**	**161,941**
Current portion		184,087	166,263	182,765	161,941
Non-current portion		814	15,655	0	0
Total revenue received in advance		**184,901**	**181,918**	**182,765**	**161,941**

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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 2023	Actual 2022	Actual 2023	Actual 2022
Borrowings					
Current portion		6,229	4,305	5,669	3,745
Non-current portion		42,505	39,924	33,128	31,888
Total		**48,734**	**44,229**	**38,797**	**35,633**

Te Pūkenga's borrowing arrangements are as follow:

		Group					
		Ara	UCOL	Unitec	Otago	NorthTec	Wintec
Lender name		ANZ Bank New Zealand Limited	Ministry of Education	Crown	Crown	EECA	EECA
Facility description		$10,779,987 for the Otauatahi Education Development Trust (Subsidiary)	$3,556,600 Capital Injection repayable on demand zero % interest	$50,000,000 10-year concessionary Loan	$18,000,000 10-year concessionary Loan	$67,984 Light Project	$452,958 Crown loan from EECA
Maturity date of facility		31 August 24	On demand	31 August 28	31 August 30	1 August 26	15 May 26
Date of Ministry of Education consent to borrow		Not Required	Not Required	22-Aug-18	Not required	1 August 2021	Not Required
Borrowing as at 31 December 2023		$560,000	$0	$23,000,000	$15,200,200	$30,592.80	$124,690
Covenants		See covenants below	N/A	Quarterly reporting in lieu of covenants	Funds only to be used to fund Trades Building construction	Quarterly repayments	Quarterly repayments
Maximum total debt to total debt plus equity	Actual	25.64%					
	Required	<=50%					
Minimum interest cover ratio	Actual	2.52:1					
	Required	>1.5:1					

Te Pūkenga's borrowing arrangements are as follow:

	Parent				
	UCOL	**Unitec**	**Otago**	**NorthTec**	**Wintec**
Lender name	Ministry of Education	Crown	Crown	EECA	EECA
Facility description	$3,556,600 Capital Injection repayable on demand zero % interest	$50,000,000 10-year concessionary Loan	$18,000,000 10-year concessionary Loan	$67,984 Light Project	$452,958 Crown loan from EECA
Maturity date of facility	On demand	31 August 28	31 August 30	1 August 26	15 May 26
Date of Ministry of Education consent to borrow	Not Required	22-Aug-18	Not required	1 August 2021	Not Required
Borrowing Paydown as at 31 December 2023	$0	$23,000,000	$15,200,200	$30,592.80	$124,690
Covenants	N/A	Quarterly reporting in lieu of covenants	Funds only to be used to fund Trades Building construction	Quarterly repayments	Quarterly repayments

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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 the 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 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 2023	Actual 2022	Actual 2023	Actual 2022
Finance leases					
Current portion		2,079	2,582	2,079	2,582
Non-current portion		35,549	37,153	35,549	37,153
Total		**37,628**	**39,735**	**37,628**	**39,735**
Finance leases as lessee **Non-cancellable minimum finance lease payments are payable as follows:**					
Not later than one year		4,570	4,992	4,570	4,992
Later than one year and not later than five years		13,156	13,857	13,156	13,857
Later than five years		54,063	56,059	54,063	56,059
Total minimum lease payments as lessee		**71,789**	**74,908**	**71,789**	**74,908**
Future finance charges		34,161	35,173	34,161	35,173
Present value of minimum lease payments		37,628	39,735	37,628	39,735
Present value of minimum lease payments payable					
Not later than one year		2,082	2,582	2,082	2,582
Later than one year and not later than five years		3,743	4,681	3,743	4,681
Later than five years		31,803	32,472	31,803	32,472
Total present value of minimum lease payments		**37,628**	**39,735**	**37,628**	**39,735**

Ara division and 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 have carefully considered the accounting treatment of the lease. It has been determined that Ara have substantially all of the risks and rewards of ownership and thus, have classified the lease as a Finance lease. Ara have recognised their portion (50%) of the lease.

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

Term deposits and loans are initially measured at fair value. Receipts from these instruments consist solely of 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 are 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.

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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.

All in $000s	Note	Group Actual 2023	Group Actual (Restated) 2022*	Parent Actual 2023	Parent Actual 2022
Financial instrument categories					
The accounting policies for financial instruments have been applied to the line items below:					
Financial assets measured at amortised cost					
Cash and cash equivalents		338,905	337,639	330,853	272,339
Term deposits with maturities greater than 3 months at acquisition		138,381	97,410	133,573	98,827
Investments in debt instruments		0	126	0	232
Student fees and other receivables		119,121	136,632	122,900	105,892
Total		**596,407**	**571,807**	**587,326**	**477,290**
Financial assets mandatorily measured at fair value through surplus or deficit					
Managed investment portfolio		19,316	15,812	12,758	132
Derivative financial instruments		392	311	0	311
Total		**19,708**	**16,123**	**12,758**	**443**
Total		**616,115**	**587,930**	**600,084**	**476,733**
Financial liabilities					
Financial liabilities measured at amortised cost					
Creditors and other payables		155,926	137,244	152,647	113,930
Finance leases		37,628	39,735	37,628	39,735
Related Party Term Deposit Payables		0	0	0	42,000
Borrowings		48,734	44,229	38,797	35,633
Total financial liabilities measured at amortised cost		**242,288**	**221,208**	**229,072**	**231,298**
Financial liabilities measured at fair value through surplus or deficit					
Derivative financial instruments		0	0	0	0
Total financial liabilities measured at fair value through surplus or deficit		**0**	**0**	**0**	**0**

Restated actual refer to Note 31 Retrospective Restatement of Errors.

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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.

2023	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	155,926	155,926	155,926	0	0	0	0
Borrowings	48,734	48,922	0	6,417	25,175	3,000	14,050
Finance leases	37,628	71,789	1,513	1,372	3,033	1,743	64,128
Total financial liabilities at amortised cost	**242,288**	**276,637**	**157,439**	**7,789**	**28,208**	**4,743**	**78,178**

2023	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	152,647	152,647	152,647	0	0	0	0
Borrowings	38,797	38,797	0	5,669	16,120	3,000	14,008
Finance leases	37,628	71,789	1,513	1,372	3,033	1,743	64,128
Total financial liabilities at amortised cost	**229,072**	**263,233**	**154,160**	**7,041**	**19,153**	**4,743**	**78,136**
Derivative financial instruments	0	0	0	0	0	0	0
Total financial liabilities at amortised cost	**0**	**0**	**0**	**0**	**0**	**0**	**0**

2022 Restated	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	137,244	137,244	137,244	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	**232,697**	**257,232**	**186,249**	**6,741**	**4,394**	**3,263**	**56,585**
Derivative financial instruments	311	311	0	0	0	0	0
Total financial liabilities at amortised cost	**311**	**311**	**0**	**0**	**0**	**0**	**0**

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**

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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.

2023	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	338,905	0	0	338,905	330,853	0	0	330,853
Term Deposits greater than 3 months	135,186	3,195	0	138,381	130,378	3,195	0	133,573
Managed investment portfolio	19,316	0	0	19,316	12,758	0	0	12,758
Derivative financial instruments	0	392	0	392	0	0	0	0
Total	**493,407**	**3,587**	**0**	**496,994**	**473,989**	**3,195**	**0**	**477,184**
Weighted average effective interest rate	5.22%	0.0%	0.0%		5.07%	0.00%	0.00%	

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
Derivative financial instruments	0	311	0	311	0	311	0	311
Total	**450,229**	**811**	**132**	**451,172**	**367,605**	**3,872**	**132**	**371,609**
Weighted average effective interest rate	1.18%	0.0%	0.0%		1.8%	0.00%	0.00%	

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 have 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 2023	Actual (Restated) 2022*	Actual 2023	Actual 2022
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-		436,966	400,301	424,106	319,855
A		40,320	19,933	40,320	51,311
Counterparties without credit ratings					
Cash and cash equivalents and term deposits:					
Existing counterparty with no defaults in the past		0	12,804	0	0
Existing counterparty with defaults in the past		0	2,012	0	0
Investments:					
Existing counterparty with no defaults in the past		19,316	15,812	12,758	132
Total cash and cash equivalents and term deposits		**496,602**	**450,862**	**477,184**	**371,298**
Debtors and other receivables					
Existing counterparty with no defaults in the past		118,386	136,632	122,165	105,892
Existing counterparty with defaults in the past		735	(0)	735	0
Total debtors and other receivables		**119,121**	**136,632**	**122,900**	**105,892**

Restated actual refer to Note 31 Retrospective Restatement of Errors.

Notes to the Financial Statements

for the year ended 31 December 2023

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 2023								
Financial assets								
Cash and cash equivalents	3,389	41	(3,389)	(41)	3,308	41	(3,308)	(41)
Term deposits with maturities greater than 3 months at acquisition	1,190	98	(1,190)	(98)	1,208	92	(1,208)	(92)
Managed investment portfolio	193	0	(193)	0	128	0	(128)	0
Total sensitivity to interest rate risk - financial assets	**4,772**	**139**	**(4,772)**	**(139)**	**4,644**	**133**	**(4,644)**	**(133)**
Financial liabilities								
Borrowings	(487)	0	487	0	(388)	0	388	0
Total sensitivity to interest rate risk - financial liabilities	**(487)**	**0**	**487**	**0**	**(388)**	**0**	**388**	**0**

All in $000s	Group				Parent			
	+100BPS		-100BPS		+100BPS		-100BPS	
	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)
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								
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)**

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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for the year ended 31 December 2023

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 2023				
Financial assets				
Term deposits with maturities greater than 3 months at acquisition	138,381	138,381	0	0
Derivative financial instruments	392	392	0	0
Managed investment portfolio	19,316	19,316	0	0
Total Fair Value of Financial Instruments - financial assets	**158,089**	**158,089**	**0**	**0**
Financial liabilities				
Borrowings	48,734	48,734	0	0
Total Fair Value of Financial Instruments - financial liabilities	**48,734**	**48,734**	**0**	**0**

	Parent			
All in $000s	Total	Quoted market price	Observable inputs	Significant non-observable inputs
Fair value of financial instruments 31 December 2023				
Financial assets				
Term deposits with maturities greater than 3 months at acquisition	133,573	133.573	0	0
Managed investment portfolio	12,758	12,758	0	0
Total Fair Value of Financial Instruments - financial assets	**146,331**	**146,331**	**0**	**0**
Financial liabilities				
Borrowings	38,797	38,797	0	0
Total Fair Value of Financial Instruments - financial liabilities	**38,797**	**38,797**	**0**	**0**

All in $000s	Group				
	Total	**Quoted market price**	**Observable inputs**	**Significant non-observable inputs**	**Observable inputs**
Fair value of financial instruments 31 December 2022					
Financial assets					
Term deposits with maturities greater than 3 months at acquisitions	97,410	97,410	0	0	0
Managed investment portfolio	15,812	15,812	0	0	0
Derivative financial instruments	311	0	311	0	
Total Fair Value of Financial Instruments - financial assets	**113,533**	**113,222**	**311**	**0**	**0**
Financial liabilities					
Borrowings	0	0	0	0	0
Total Fair Value of Financial Instruments - financial liabilities	**0**	**0**	**0**	**0**	**0**

All in $000s	Parent				
	Total	**Quoted market price**	**Observable inputs**	**Significant non-observable inputs**	**Observable inputs**
Fair value of financial instuments 31 December 2022					
Financial assets					
Term deposits with maturities greater than 3 months at acquisition	98,827	98,827	0	0	0
Managed investment portfolio	132	132	0	0	0
Derivative financial instruments	311	0	311	0	0
Total Fair Value of Financial Instruments - financial assets	**99,270**	**98,959**	**311**	**0**	**0**

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for the year ended 31 December 2023

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 2023	84,274	44,228	39,735	311
Net cash flows	3,217	5,635	(2,107)	(311)
Fair value	442	0	0	442
Other changes	(1,179)	(1,129)	0	(50)
Balance at 31 December 2023	**86,754**	**48,734**	**37,628**	**392**

	Parent			
All in $000s	Total	Secured loans	Finance Leases	Interest Rate Swaps
Balance at 1 January 2023	75,679	35,633	39,735	311
Net cashflows	746	3,164	(2,107)	(311)
Fair value	442	0	0	442
Other charges	(50)	0	0	(50)
Balance at 31 December 2023	**76,817**	**38,797**	**37,628**	**392**

	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	59,555	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**

All in $000s	Parent Total	Secured loans	Finance Leases	Interest Rate Swaps
Reconciliation of movements in liabilities arising from financing activities				
Balance at 1 January 2022	41,521	0	41,499	22
Net cashflows	3,541	5,552	(2,011)	0
Fair value	30,370	30,081	0	289
New leases	1,061	0	1,061	0
Other charges	(814)	0	(814)	0
Balance at 31 December 2022	**75,679**	**35,633**	**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
- fair value through other comprehensive revenue and expense reserved
- trusts and bequests reserve.

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

Property revaluation reserves
These reserves relate to the revaluation of land and buildings assets to fair value. Changes in 2023 relate to the group revaluation.

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.

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.

Notes to the Financial Statements

for the year ended 31 December 2023

21. EQUITY (CONTINUED)

		Group		Parent	
All in $000s	Note	Actual 2023	Restated Actual 2022*	Actual 2023	Restated Actual 2022
General funds					
Balance as at 1 January		1,258,484	1,275,995	1,161,028	33,488
Acquired on amalgamation		0	8,236	83,776	1,300,367
Transfer from revaluation reserves on sale of assets held for sale		7,763	57,074	7,778	0
Surplus/(deficit) for the year before other comprehensive revenue and expenditure		(37,864)	(105,043)	(42,083)	(197,960)
Less surplus/deficit attributable to other equity classes/reserves		6,899	96	6,899	133
Other comprehensive revenue and expense		0	(1,939)	0	0
Capital contributions from the Crown		0	24,065	0	25,000
Balance as at 31 December		**1,235,282**	**1,258,484**	**1,217,398**	**1,161,028**
Property revaluation reserves					
Balance as at 1 January		1,153,494	1,232,491	1,142,923	0
Acquired on amalgamation		0	0	0	1,145,362
Opening balance adjustment		0	0	0	(49)
Opening balance adjustment - revaluation		(1,777)	0	(1,775)	0
Transfer to equity on sale of assets held for sale		(7,777)	(57,143)	(7,777)	0
Property disposal		4,200	0	4,200	0
Land net revaluations gain/(loss)		(41,729)	(5,739)	(48,468)	(2,390)
Buildings net revaluations gain/(loss)		115,187	(16,115)	119,634	0
Total net revaluations gain/(loss)		**73,458**	**(21,854)**	**71,166**	**(2,390)**
Balance as at 31 December		**1,221,598**	**1,153,494**	**1,208,737**	**1,142,923**
Revaluation Reserves Consist of:					
Land		337,705	432,614	323,540	424,314
Buildings		883,893	722,880	885,197	718,609
Total Property Revaluation Reserves		**1,221,598**	**1,153,494**	**1,208,737**	**1,142,923**

All in $000s	Note	Group Actual 2023	Group Restated Actual 2022*	Parent Actual 2023	Parent Restated Actual 2022
Trusts and bequests					
Opening balance		3,864	3,849	2,231	0
Acquired on amalgamation		0	0	0	2,216
Interest received		262	29	198	9
Less grants awarded		(40)	(14)	11	6
Total trust funds		**4,086**	**3,864**	**2,440**	**2,231**
Represented by:					
Ara Institute of Canterbury		954	828	954	828
Waikato Institute of Technology		653	653	653	653
Nelson Marlborough Institute of Technology		950	0	0	0
Others		1,529	2,383	833	750
Total trust funds		**4,086**	**3,864**	**2,440**	**2,231**
Restricted reserves					
Opening balance		137,020	116,444	104,352	0
Acquired on amalgamation		0	20,709	32,136	104,511
Transfer from other reserves		7	48	7	11
Distributions from restricted reserves		(7,130)	(181)	(7,130)	(170)
Total restricted reserves		**129,897**	**137,020**	**129,365**	**104,352**

The movement of divisions from Group to Parent is the movement of former ITO divisions reporting directly to Te Pūkenga parent from 1 January 2023, whereas in 2022, they reported through the Group via WBL Ltd.
*Restated actual refer to Note 31 Retrospective Restatement of Errors.

Notes to the Financial Statements

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21. EQUITY (CONTINUED)

Restricted reserves represented by:

		Group		Parent	
All in $000s	Note	Actual 2023	Actual 2022	Actual 2023	Restated Actual 2022
Cash balances with use restrictions					
Ring fenced cash reserved - Ara Institute of Canterbury		4,419	21,936	4,419	21,936
Ring fenced cash reserved - Eastern Institute of Technology		5,480	9,225	5,480	9,225
Ring fenced cash reserved - Nelson Marlborough Institute of Technology		4,135	2,242	4,135	2,242
Ring fenced cash reserved - Open Polytechnic of New Zealand		3,245	3,245	3,245	3,245
Ring fenced cash reserved - Southern Institute of Technology		7,793	5,199	7,793	5,199
Ring fenced cash reserved - BCITO		5,854	6,298	5,322	0
Ring fenced cash reserved - Connexis		277	795	277	0
Ring fenced cash reserved - Competenz		12,758	11,961	12,758	0
Ring fenced cash reserved - MITO		1,469	1,469	1,469	0
Ring fenced cash reserved - Service IQ		2,670	2,670	2,670	0
Ring fenced cash reserved - Careerforce		750	750	750	0
Ring fenced cash reserved - HITO		1,010	2,774	1,010	0
Ring fenced cash reserved - Primary ITO		5,951	5,951	5,951	0
Total cash balances with use restrictions at 31 December		**55,811**	**74,515**	**55,279**	**41,847**
Other financial assets with use restrictions					
Ring fenced cash reserved - Ara Institute of Canterbury		48,621	35,006	48,621	35,006
Ring fenced cash reserved - Eastern Institute of Technology		9,193	5,448	9,193	5,448
Ring fenced cash reserved - Nelson Marlborough Institute of Technology		5,250	9,780	5,250	9,780
Ring fenced cash reserved - Southern Institute of Technology		7,805	9,856	7,805	9,856
Ring fenced cash reserved - Work Based Learning Limited HITO		782	0	782	0
Ring fenced cash reserved - BCITO		167	0	167	0
Total other Financial Assets		**71,818**	**60,090**	**71,818**	**60,090**
Hardship- NorthTec		23	50	23	50
Polytechnic equity - Open Polytechnic		2,245	2,245	2,245	2,245
Award funds - SIT		0	120	0	120
Total Restricted Reserves		**129,897**	**137,020**	**129,365**	**104,352**
Total equity		**2,590,863**	**2,552,862**	**2,557,940**	**2,410,534**

22. MAJOR BUDGET VARIATIONS

Parent variances only are disclosed as additional movements in the Group variances are not material.

	2023		
	Actual	Budget	Act vs Bud
All in $000s	Parent	Parent	variance
Statement of comprehensive revenue and expense			
Surplus/(deficit)	(42,083)	(26,578)	(15,505)
Revenue variances			
Government funding	858,252	1,068,221	(209,969)
Student fees and departmental revenue	371,251	351,190	20,061
Other revenue	123,956	135,056	(11,100)
Expenditure variances			
Employee benefit expenses	834,688	882,424	47,736
Depreciation and amortisation	123,550	133,626	10,076
Finance Costs	4,606	8,136	3,530
Administration and Other Expenses	432,698	556,858	124,160
Share of Associate / Joint Venture	0	0	0
Other comprehensive revenue and expense			
Other comprehensive revenue and expense	71,166	0	71,166
Total comprehensive revenue and expense	**29,083**	**(26,577)**	**55,660**

Revenue is below the budget and has been impacted by the reduction in domestic student numbers, which are partly offset to a smaller extent with international student numbers increasing. Expenditure has been managed within budget, with savings made in line with the reduction in student numbers. Depreciation underspend is aligned with the reduction in capital spend to budget.

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for the year ended 31 December 2023

22. MAJOR BUDGET VARIATIONS (CONTINUED)

	2023		
	Actual	Budget	Act vs Bud
All in $000s	Parent	Parent	variance
Statement of financial position			
Current assets	639,733	517,015	122,718
Non-current assets	2,418,009	2,495,189	(77,180)
Current liabilities	424,556	326,961	97,595
Non-current liabilities	75,246	110,569	(35,323)
Equity	2,557,940	2,574,674	(16,734)

The cash position among current assets is higher than budget which is aligned with the increase in liabilities. Non current assets is underbudget mainly due to capital spend which has been repriortised.

Statement of cash flows			
Cash Flow from Operating Activities	87,204	115,599	(28,395)
Cash Flow used in Investing Activities	(83,644)	(93,129)	9,485
Cash Flows from Financing Activities	1,057	(4,230)	5,287
Net (Decrease)/Increase in Cash and Cash Equivalents	4,617	18,240	(13,623)
Cash and Cash Equivalents at Beginning of the Year	272,339	216,890	55,449
Cash and cash equivalents from amalgamation	53,897	0	53,897
Total Cash and Cash Equivalents at end of the Year	**330,853**	**235,130**	**95,723**

Operating cashflows, both in and out, are under budget, due to reduced income and reduced expenditure. Overall investment activity is less than budget, mainly reflecting reduced capital spend. Financing activity is impacted by reduced debt repayment.

23. CAPITAL EXPENDITURE PROJECT PERFORMANCE TO BUDGET

		Group			Group		
All in $000s	Note	Actual 2023	Budget 2023	Variance 2023	Actual 2022	Budget 2022	Variance 2022
Annual allocations (renewals)							
Facilities annual replacements		14,383	22,847	8,464	15,574	32,402	16,828
Furniture annual allocation		1,560	5,438	3,878	3,870	5,814	1,944
Information technology allocation		14,398	24,274	9,876	21,030	30,759	9,729
Vehicle replacement		1,654	2,783	3,878	906	1,864	958
Library annual allocation		1,277	1,673	396	1,141	1,892	751
Academic departments & Other allocation		2,786	24,117	21,331	24,719	22,600	(2,119)
Total annual allocation		**36,058**	**81,132**	**45,074**	**67,240**	**95,331**	**28,091**
Major projects							
Otago - Trades Training Centre (81689) (Forth Street)		13,955	5,234	(8,721)	7,795	13,000	5,205
Unitec - Building 108 Roof replacement & refurbishment		12,338	7,484	(4,854)	16,655	23,481	6,826
HPB Programme		626	23,427	22,801	0	0	0
Other projects		3,577	29,358	25,781	5,657	24,170	18,513
Total major projects		**30,496**	**65,503**	**35,007**	**30,107**	**60,651**	**30,544**
Total capital expenditure		**66,554**	**146,635**	**70,014**	**97,347**	**155,982**	**58,635**

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.

Notes to the Financial Statements

for the year ended 31 December 2023

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 2023	Actual 2022	Actual 2023	Actual 2022
Leases as lessee					
Non-cancellable operating lease rentals are payable as follows:					
Not later than one year		31,101	31,127	28,530	19,043
Later than one year and not later than five years		77,044	66,766	66,331	48,755
Later than five years		143,167	137,136	142,788	143,132
Total leases as lessee		**251,312**	**235,029**	**237,649**	**210,930**

		Group		Parent	
All in $000s	Note	Actual 2023	Actual 2022	Actual 2023	Actual 2022
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		4,525	3,012	4,525	2,746
Later than one year and not later than five years		5,845	4,312	5,845	4,231
Later than five years		749	656	749	656
Total leases as lessor		**11,119**	**7,980**	**11,119**	**7,633**

Operating leases as the lessee comprise of buildings, vehicles, photocopiers other equipment, Student Association contract, cleaning contract and health contract.

MIT hold a lease agreement for the TechPark building. The agreement commenced on 1 September 2020 and will run for 50 years, including renewal periods. The value of the operating lease commitment is $2.4m per year. The finance lease is disclosed in Note 18. As of 31 December 2023, the net present value of any make good provision is considered to be immaterial and accordingly no make good provision has been recognised. As lessee there are responsibilities to minimise impact to the lessors premises at the time of exit.

Previously MIT renegotiated out of specific make good clauses in the Maritime lease agreement. MITs 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. No costs were required or committed for make good in 2023.

25. COMMITMENTS AND CONTINGENCIES

2023 Cyclone Gabrielle contingent asset
At the time of Cyclone Gabrielle, Te Pūkenga was insured by several New Zealand and international insurers and had the following Material Damage and Business Interruption insurance cover in place:

- Business interruption (gross revenue) — capped at $5,000,000
- Material damage — capped at $200,000,000
- Additional costs of working — capped at $20,000,000

As at reporting date, the following payments have been received from our insurers in relation to the Taradale campus:

- Progress payment $10.44M plus GST
- Vehicle Insurance $0.2M plus GST
- Overseas insurer progress payment $2.47M (no GST)

No payments for business interruption (BI) insurance have yet been received as the claim has not yet been agreed but it is expected to be near the cap of $5M.

Insurance compensation is accounted for as follows:

- On the face of the statement of financial position, the insurance compensation receivable is recognised as an asset when there is virtual certainty that the proceeds will flow. The asset is presented within trade and other receivables and classified as other non-exchange receivables within the trade and other receivables note to the financial statements.
- On the face of the Statement of Comprehensive Revenue and Expense, insurance compensation is recognised as non-exchange revenue and is not offset against expenses.
- In the notes to the financial statements, a contingent asset is disclosed for possible insurance compensation that is not yet virtually certain or wholly within the control. Insurance proceeds will not necessarily match impairment costs.

Lease commitments
As at balance date, there were three leases which Te Pūkenga have provided a bank guarantee to the landlord totalling $974,551.14. This guarantee was an amount equal to six months' rent plus GST which is held for the length of the tenancy. Once Te Pūkenga (tenant) has performed its obligations under the lease, this guarantee will be released. It is expected that Te Pūkenga will end two of these leases during 2024, and therefore these two bank guarantees will be released. The remaining lease ($587,758.94 guarantee) is due to expire in 2025.

Te Pūkenga has the following commitments at balance date:

		Group		Parent	
All in $000s	Note	Actual 2023	Actual 2022	Actual 2023	Actual 2022
Capital commitments					
Capital commitments denote approved capital expenditure contracted for at year-end not yet incurred.					
Taradale campus - reinstatement commitment		2,143	0	2,143	0
Buildings		3,704	18,106	3,704	15,229
Other plant, property and equipment		2,233	1,246	2,233	1,246
Lease commitments		974	0	974	0
Intangible assets		6	113	6	113
Total capital commitments		**9,060**	**19,465**	**9,060**	**16,588**

Notes to the Financial Statements

for the year ended 31 December 2023

Te Pūkenga has the following contingent assets and liabilities at balance date:

		Group		Parent	
All in $000s	Note	Actual 2023	Actual 2022	Actual 2023	Actual 2022
Contingent Assets					
Taradale campus - Cyclone Gabrielle further insurance remediation expected		13,549	0	13,549	0
Total contingent assets		**13,549**	**0**	**13,549**	**0**
Contingent liabilities					
UCOL - compassionate grants outstanding as at 31/12/22		45	45	45	45
Otago Polytechnic - enforceable undertaking		1,687	0	1,687	2,710
Otago Polytechnic - Trades Training Building (Shovel Ready Project)		0	7,524	0	0
Total contingent liabilities		**1,732**	**7,569**	**1,732**	**2,755**

Manukau Institute of Technology has a peppercorn lease with Auckland Council for the use of the Hayman Park land on Station Road Manukau. Then intangible asset has not be recognised in Te Pūkenga's accounts as the lease commencement date is yet to be determined and is subject to a new separate stratum leasehold title to be issued for the site by Auckland Council. Te Pūkenga's interest in the land was valued at $10 million (Valuation date 31 December 2023).

A claim has been made for a piece of land held by Te Pūkenga. This claim is in the process of going through the Courts, with no judgement having yet been made.

Te Pūkenga is a significant employer and as such there were employee related claims at balance date.

There is a guarantee in place for the Otago Polytechnic Auckland International Campus (OPAIC, joint venture with Future Skills) lease. If OPAIC is not be able to meet their lease payments then Te Pūkenga will be required to honour the lease payments. Monthly lease payments are $96,809 and the lease expiry date is 1 September 2026. Remaining lease payments as at 31 December 2023 are $3.2m.

Otago Polytechnic 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 rectification changes but has not yet carried out remediation calculations so the exposure to this cannot yet be quantified.

The Otago Polytechnic 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 could be responsible for any deficit of the schemes. Similarly, if a number of employers ceased to participate in the schemes the Otago Polytechnic could be responsible for an increased share of the deficit.

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 2023	Actual 2022	Actual 2023	Actual 2022
Key management personnel related party transactions					
Key management personnel compensation					
Council board members					
Full-time equivalent members		11	114	11	12
Remuneration		761	2,695	618	676
Executive Leadership Team and Chief Executive					
Full-time equivalent members		9	136	9	129
Remuneration		4,814	31,758	4,814	7,526
Total full-time equivalent members		**20**	**250**	**20**	**141**
Total key management personnel remuneration		**5,575**	**34,453**	**5,432**	**8,202**

27. RELATED PARTY DEPOSITS/LOANS PAYABLES/RECEIVABLES

On 1 April 2021, Te Pūkenga established a Group Treasury Policy. The structural changes of 2022 and 1st January 2023 has restructured the former ITP's and ITO subsidiaries to Trading divisions. Te Pūkenga National (the head office division) manages its own treasury activities along with the Group liquidity and debt management requirements, which includes the intra-division funding arrangements. The Business Divisions operate their own bank accounts and are responsible for identifying day-to-day cash management and working capital requirements. Te Pūkenga operating through the National division, manages the overall group cash position with the ability to borrow and invest externally.

Work based Learning Limited had internal borrowing for two divisions with the other side of the transaction being recorded in cash and other financial assets in 2022. On amalgamation to Te Pūkenga these internal borrowing were eliminated. There are no related party lending or deposits as this is all internal in 2023.

	Group		Parent	
All in $000s	Actual 2023	Actual 2022	Actual 2023	Actual 2022
Intra Group Term Deposit Payables				
Work Based Learning	0	0	0	42,000
Total	**0**	**0**	**0**	**42,000**

Notes to the Financial Statements

for the year ended 31 December 2023

28. BUSINESS COMBINATION

On 31 December 2022, Te Pūkenga Work Based Learning Limited (WBL), a subsidiary of Te Pūkenga, was disestablished and amalgamated into Te Pūkenga on 1 January 2023. The amalgamation (including the operations, assets and liabilities in their entirely) is prescribed in the Education (Vocational Education and Training Reform) Amendment Act 2020.

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 WBL disestblishment accounts 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.

The table below shows the consolidated changes in equity resulting from the amalgamation from WBL to Te Pūkenga on 1 January 2023.

Organisation Name	**Disestablishment Date**	**Amalgamation Date**
WBL Ltd	31 December 2022	1 January 2023

All in $000s	Parent	WBL	Elimination	Amalgamated balance
Cash & Cash Equivelents	272,339	58,897	(5,000)	326,236
Other Financial Assets	95,266	46,221	(37,000)	104,487
Assets held for sale	9,735	0	0	9,735
Student Fees and Other receivables	104,049	42,688	(34,666)	112,071
Prepayments	10,119	2,044	0	12,163
Inventory	6,069	698	0	6,767
Property Plant & Equipment	2,326,621	8,273	0	2,334,894
Intangible Assets	57,773	11,721	0	69,494
Other Term assets	8,789	0	0	8,789
Trade & Other Payables	(132,393)	(26,326)	34,666	(124,053)
Employee Entitlements	(58,230)	(9,222)	0	(67,452)
Borrowings	(77,633)	0	42,000	(35,633)
Finance Leases	(39,735)	0	0	(39,735)
Revenues in Advance	(161,941)	(15,967)	0	(177,908)
Provisions	(10,294)	(3,107)	0	(13,401)
Total Net assets (Liabilities)	**2,410,534**	**115,920**	**0**	**2,526,454**
General Funds	(1,176,503)	(83,782)	0	(1,260,285)
Revaluation Reserves	(1,142,923)	0	0	(1,142,923)
Trust and Bequests	(2,231)	0	0	(2,231)
Restricted Reserve	(88,877)	(32,138)	0	(121,015)
Total	**(2,410,534)**	**(115,920)**	**0**	**(2,526,454)**

2022 Comparative

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.

Notes to the Financial Statements

for the year ended 31 December 2023

28. BUSINESS COMBINATION (CONTINUED)

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)**

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)
Total Equity (Gain on acquisition)	**(479,309)**	**(109,259)**	**(63,791)**	**0**	**(652,359)**

Notes to the Financial Statements

for the year ended 31 December 2023

28. BUSINESS COMBINATION (CONTINUED)

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)**

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)**

Notes to the Financial Statements

for the year ended 31 December 2023

28. BUSINESS COMBINATION (CONTINUED)

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 Te Pūkenga group accounts with entities 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 functions 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 its reserves to the Competenz division of WBL in the form of managed investments and cash. This settles the receivables 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.

	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
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**

Notes to the Financial Statements

for the year ended 31 December 2023

28. BUSINESS COMBINATION (CONTINUED)

	Group				
All in $000s	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	22	0	0	7,860
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**

All in $000s	Group					
	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	8,137	0	0	0	0	8,137
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**	**2,906**	**0**	**0**	**26,693**

Notes to the Financial Statements

for the year ended 31 December 2023

28. BUSINESS COMBINATION (CONTINUED)

	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.

29. CHILDCARE SUMMARY

	Group
All in $000s	
1 January to 31 December 2023 – 12 months	
Revenue	
Operating Grants – Ministry of Education (MOE)	5,369
Equity Funding	53
Fees – Staff, Students and Public	1,620
Family Assistance (WINZ)	405
Other	63
Total Revenue	**7,510**
Expenses	
Personnel	6,945
Other	617
Total Expenses	**7,562**
Net Surplus	**(52)**
Statistics	
MOE hours funded for under 2's	128,741
MOE hours funded for over 2's	116,591
MOE 20 hours ECE	212,608
MOE plus 10 hours ECE	53,989

The above accounts for the full 12 month reporting period are required to be presented separately for Minister 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 2023

30. COMPULSORY STUDENT SERVICES FEE

	Group	
All in $000s		
	Revenue	Expenses
Revenue		
Compulsory Student Levy Revenue	11,309	0
Expenditure		
Advocacy and advice	0	2,301
Career advice and guidance	0	4,814
Employment information	0	309
Couselling and pastoral care	0	4,842
Financial support and advice	0	1,071
Health Services	0	4,464
Media	0	363
Sports, Recreation and Culture activities	0	2,184
Careers information, advice & guidance	0	3,068
Childcare Services	0	842
Clubs and Societies	0	77
Total	**11,309**	**24,335**
Net Surplus		**(13,024)**

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.

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 sports 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 support student engagement. This 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 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.

31. RETROSPECTIVE RESTATEMENT OF ERRORS

ACCOUNTING POLICY

During the process of preparing the 2023 Annual Report Te Pūkenga discovered that the following disclosures in 2022 were incorrect.

1. In the 2022 Group disclosures a liability was omitted amounting to $24.6m. This relates to a revenue recovery by the TEC as a result of finalised student numbers that came to attention late in the Annual Report timeline. Whilst the adjustment was made in the Parent accounts it was inadvertantly excluded from Group.

Therefore this retrospective restatement is required to align the Parent and the Group disclosures for 2022, and it replicates the Parent entry by reducing income and increasing liabilities, as follows:

	Group		
All in $000s	Original 2022	Adjustment 2022	Restated 2022
Group restatements: Statement of Comprehensive Revenue and Expense			
Tuition fees and department revenue	367,006	(24,691)	342,315
Revenue	1,276,739	(24,691)	1,252,048
Surplus / (Deficit)	(80,352)	(24,691)	(105,043)
Total other comprehensive revenue/(expense)	(104,145)	(24,691)	(128,836)
Total other comprehensive revenue and expense for the period attributable to:			
The Crown	(104,145)	(24,691)	(128,836)
Total	**(104,145)**	**(24,691)**	**(128,836)**
Statement of Financial Position			
Student fees and other receivables	136,632	0	0
Trade and other payables	132,587	24,691	157,278
Net Assets	**2,577,553**	**(24,691)**	**2,552,862**
Equity			
General funds	1,283,175	(24,691)	1,258,484
Total equity attributable to Te Pukenga	2,577,553	(24,691)	2,552,862
Total equity	**2,577,553**	**(24,691)**	**2,552,862**

Notes to the Financial Statements

for the year ended 31 December 2023

31. RETROSPECTIVE RESTATEMENT OF ERRORS (CONTINUED)

	Group		
All in $000s	Original 2022	Adjustment 2022	Restated 2022
Statement of Changes in Equity			
Surplus / (deficit)	(80,352)	(24,691)	(105,043)
Total comprensive revenue and expense	(104,145)	(24,691)	(128,836)
Balance at 31 December	**2,577,553**	**(24,691)**	**2,552,862**

Statement of Cash Flows: Reconciliation from Net Surplus/ (Deficit) to Net Cash Flow from Operating Activities

Surplus /(deficit)	(80,353)	(24,691)	(105,044)
Increase/(decrease) in trade and other payables	**34,335**	**24,691**	**59,026**

	Group		
All in $000s	Original 2022	Adjustment 2022	Restated 2022
Note 2 Revenue			
Tuition Fees and departmental revenue classified as non-exchange transactions			
Fees Free funding	33,525	(18,001)	15,524
Targeted training and appreticeship funding (TTAF)	149,115	(6,690)	142,425
Total Revenue	**1,276,739**	**(24,691)**	**1,252,048**
Note 14 Trade and other Payables			
Payables under non exchange transactions			
Other payables	30,293	24,691	54,984
Total trade and payables	**132,587**	**24,691**	**157,278**
Note 21 Equity			
General funds			
Surplus/(deficit)for the year before other comprehensive revenue and expenditure	(80,352)	(24,691)	(105,043)
Balance at 31 Decemeber	1,283,175	(24,691)	1,258,484
Total equity	**2,577,553**	**(24,691)**	**2,552,862**

2. In the 2022 Annual Report an error occurred upon amalgamation of SIT into the Parent during the 2022 financial year. Whilst the total reserve is correct there is an understatement in the restricted reserves offset by an overstatement in General reserves.

The retrospective restatement corrects the respective balances with nil impact to the overall value of reserves.

	Parent		
All in $000s	Original 2022	Adjustment 2022	Restated 2022
Statement of Financial Position			
Equity			
General funds	1,176,503	(15,475)	1,161,028
Property revaluation reserve	1,142,923	0	1,142,923
Trust, endowment and bequest	2,231	0	2,231
Restricted reserves	88,877	15,475	104,352
Total equity	**2,410,534**	**0**	**2,410,534**
Note 21 Equity			
General Funds			
Acquired on Amalgamation	1,315,842	(15,475)	1,300,367
Balance as at 31 December	1,176,503	(15,475)	1,161,028
Restricted Reserves			
Acquired on Amalgamation	89,036	15,475	104,511
Balance as at 31 December	88,877	15,475	104,352

Notes to the Financial Statements

for the year ended 31 December 2023

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. EVENTS AFTER BALANCE DATE

Te Pūkenga held a borrowing facility of $45M with Westpac Banking Corporation (Westpac) during the 2023 financial year, which matured 31 December 2023. A new borrowing facility was entered into for $45M for the period 1 January 2024 – 31 December 2025. As at 31 December 2023, there has been no drawdown on the Westpac facility.

34. FUTURE UNCERTAINTY

In December 2023 Te Pūkenga received a revised Letter of Expectations from the new Minister for Tertiary Education and Skills, Hon Penny Simmonds advising that the new coalition government had agreed as part of the government's 100-day plan to begin disestablishing Te Pūkenga. Legislative change and Cabinet decisions are still to be made on the disestablishment process to give effect to this intended policy direction. At the current time no decision has been made by government that the entity will be disestablished within the 12 month period from signing and the future state we are moving towards is not known.

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

The audited financial statements and performance report were completed on 19 July 2024. 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. This was a result of the complexities associated with the consolidation from multiple financial systems for each division, significant divisions audited separately, the WBL Limited amalgamation to Te Pūkenga on 31 December 2022, impact of Cyclone Gabrielle to our EIT Taradale campus and the first full revaluation of all land and buildings across New Zealand by a single supplier, which delayed the finalisation of the 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 2023. Values are to the nearest dollar:

Parent	
Name	**$**
Heath Sawyer	50,065
Jeremy Morley	58,061
John Brockies	57,888
Jordan Gush	50,164
(Josie) Keelan Teorongonui	50,065
Kathleen Grant	13,193
Kim Ngārimu	50,344
Margaret Dunlop	46,802
Maryann Geddes	13,157
Murray Strong	87,381
Samuel Huggard	50,065
Susan McCormack	41,864
Tania Hodges	15,172
William Moran	33,491
Total fees	**617,712**

Group	
Name	**$**
Dr. Andrew West	25,000
Caroline Seelig	5,000
Craig McFarlane	41,250
Geoffrey Day	20,000
John Wilkinson	15,000
Kim Hill	15,000
Optimum Services Ltd	5,000
Paul Holloway	6,667
Vaughan Renner	10,500
Total fees	**143,417**
Total fees	**761,129**

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 2023 to 31 December 2023 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		
Subsidiaries	2	98,072
Parent	239	9,954,700
Total	**241**	**10,052,772**

Remuneration - Employees

The employee counts are shown in the table below:

Total remuneration paid or payable	Kaimahi across network (Permanent and Fixed Term)
$100,000.00 - $109,999.99	483
$110,000.00 - $119,999.99	226
$120,000.00 - $129,999.99	138
$130,000.00 - $139,999.99	127
$140,000.00 - $149,999.99	88
$150,000.00 - $159,999.99	64
$160,000.00 - $169,999.99	53
$170,000.00 - $179,999.99	22
$180,000.00 - $189,999.99	19
$190,000.00 - $199,999.99	13
$200,000.00 - $209,999.99	19
$210,000.00 - $219,999.99	15
$220,000.00 - $229,999.99	16
$230,000.00 - $239,999.99	9
$240,000.00 - $249,999.99	8
$250,000.00 - $259,999.99	5
$260,000.00 - $269,999.99	3
$270,000.00 - $279,999.99	1
$280,000.00 - $289,999.99	3
$290,000.00 - $299,999.99	3
$300,000.00 - $309,999.99	3
$310,000.00 - $319,999.99	4
$320,000.00 - $329,999.99	1
$330,000.00 - $339,999.99	3
$340,000.00 - $349,999.99	0
$350,000.00 - $359,999.99	0
$360,000.00 - $369,999.99	2
$370,000.00 - $379,999.99	1
$380,000.00 - $389,999.99	4
$390,000.00 - $399,999.99	0
$400,000.00 - $409,999.99	1
$410,000.00 - $419,999.99	0
$420,000.00 - $429,999.99	0
$430,000.00 - $439,999.99	0
$440,000.00 - $449,999.99	0
$450,000.00 - $459,999.99	0
$460,000.00 - $469,999.99	0
$470,000.00 - $479,999.99	0
$480,000.00 - $489,999.99	0
$490,000.00 - $499,999.99	0
$890,000.00 - $899,999.99	1
Total	**1334**

Te Pūkenga