Te Pūkenga

2024 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 tātou tirohanga roa
Our vision

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

Tō tātou tirohanga whānui
Our mission

Ka whai huarahi whakahirahira te katoa o ngā ākonga me ngā pūkenga e tika ana, ngā tohu e tika ana, ka rapa te whai, ā, ka iti iho te noho nama.
All ākonga into great mahi, with the right skills and qualifications, faster, and with less debt.

Tō tātou 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 to gain the skills, knowledge and capabilities Aotearoa needs now and for the future. Learners and their whānau are at the centre of all we do.

Ō tātou 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
Hoaketanga ā-rautaki Strategic objectives	Maximise ākonga success, equity and well-being	A highly valued, trusted, and sustainable network	A coordinated and regionally responsive network
Whāinga matua Outcomes	• Supporting all learners to succeed, particularly Māori, Pacific and disabled people. • Seamless entry, pathways and transitions. • Education and training designed to improve employment outcomes for ākonga.	• Academic integrity – strong reputation nationally and internationally. • A sustainable working environment that is fair, affirming, inclusive, and supports development. • Financially stable and efficient network. • Customers/partners/stakeholders report high levels of satisfaction.	• Delivery and subject options aligned to local and regional needs and aspirations – future-focused and responsive to employers, industries, and communities. • Strong Te Tiriti o Waitangi partnerships and delivery aligned to the needs of ākonga Māori and their whānau, and the aspirations of iwi, hapū and Māori. • Consistent quality of education and training across locations and delivery modes. • Quality infrastructure across the network.

He tiro wawe ki Te Pūkenga
Te Pūkenga at a glance 2024

226,645 Ākonga (learners)

Including **90,919** Trainees and apprentices

2,100+ Programmes delivered

82% Course completion rate

80 Research degree completion

84 Sites

1,052 Buildings

10,828 Work Based Learning trainees and apprentices completed programmes

33 Net Promoter Score (NPS) for employer satisfaction

93% Ākonga satisfaction rate

24,136 Employers

8,908 Kaimahi (staff) FTE

Number of Kaimahi (staff) Headcount:

Professional/ support	6,271
Academic/ teaching	5,274
Management	347
Research	43

45,146 Graduates

Top six areas of provision:

19%	Architecture and Building
18%	Engineering and related technology
14%	Society and Culture
12%	Health
11%	Management and Commerce
6%	Mixed Field Programmes

Participation rates
Domestic learners

22%	Māori
10%	Pacific
8%	Disabled

Te pūrongo a te Heamana me te Kaiwhakahaere Mātāmua
Chair and Chief Executive's report

This is the fifth Te Pūkenga annual report, summarising performance and work undertaken to achieve outcomes and respond to the challenges we faced in 2024. It covers a year where we began the process of disestablishment, while continuing to deliver vocational education and training (VET) through our 25 business divisions.

In December 2023, Te Pūkenga Council received a Letter of Expectations from Minister for Tertiary Education and Skills, Hon. Penny Simmonds CNZM, confirming it was no longer the Government's priority to have a centralised organisation delivering vocational education and training. A further letter in May 2024 clarified expectations, including supporting as much regional decision-making as possible, ensuring the continuation of VET, supporting staff and learners, and working closely with the Minister and officials as they began to reform the sector.

We initiated the disestablishment process by undertaking a change process to undo the previous "Creating our Futures" unified structure, which we had implemented in late 2023. In addition, delegations were changed to devolve many national functions back to business divisions. Consequently, many national office kaimahi were progressively redeployed to divisions, so that by the end of 2024 the national office was reduced by 75% compared to 2023, to just over 60 permanent or fixed-term employees.

The national office continues to focus on fulfilling the functions mandated by our Charter, including performance and accountability reporting, financial oversight, compliance, national communications, governance, as well as disestablishment and transition to the new structures.

In addition, we continued to collaborate closely with the Tertiary Education Commission (TEC) and the Ministry of Education (MoE) to shape the future.

Irrespective of the challenging landscape, we are focused on teaching and training learners so they can meet the skills needs of employers, communities and the country. Against a background of change and uncertainty, Te Pūkenga had a strong year. Learner outcomes continued to improve, with course completion, credit achievement, ākonga satisfaction and wellbeing scores all exceeding targets. At the close of 2023, we projected a $93.4m deficit for 2024. However, due to growth in learner numbers in some parts of the sector, particularly international enrolments, and continued cost-savings effort we achieved a year-end surplus of $16.6M.

Regional ITP Viability Programme

In late June, the Government proposed a future structure for VET, which was followed by six weeks of public consultation. Decisions following the consultation were announced by the Minister in late December confirming that some ITP business divisions would be established as autonomous ITPs from 2026. Other arrangements would be explored for those that could not stand alone by 2026 such as mergers, sales, and a federation model.

The Regional ITP Viability (RIV) Programme started in June and saw advisors working with Te Pūkenga management and regional business division leaders to conduct a comprehensive assessment of viability factors. These recommendations will form the basis of change programmes to be undertaken in 2025.

For work-based learning (WBL) divisions, two options for further consultation with industry and employers would occur in early 2025. The Minister also confirmed that legislation to enact these changes and formally disestablish Te Pūkenga would be drafted and introduced into Parliament mid-2025, to be passed by the year end.

Other highlights

In 2024, we celebrated two significant birthdays: the 30th anniversary of Careerforce in May and in November Wintec's 100 years of vocational education at their inner-city campus in Kirikiriroa | Hamilton. We are immensely proud of both divisions that have supported tens of thousands of learners into life changing careers and contributed to the prosperity of many regions.

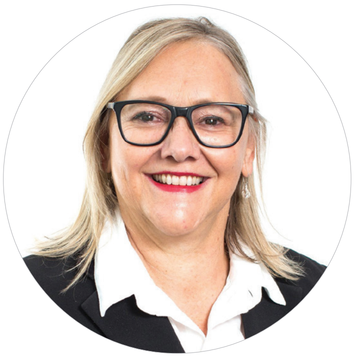
Throughout the year many business divisions hosted international delegations. In June we were visited by a high-level delegation from the Centre for International People-to-People Exchange (CCIPE) at Ngā Kete Wānanga Marae, MIT Ōtara. The group was here to attend a joint China – NZ Education Forum, with Chinese Premier Li Qiang and Prime Minister the Rt. Hon. Christopher Luxon at the forum's closing ceremony. In August, Te Pūkenga signed a memorandum of arrangement with CCIPE at Parliament witnessed by the countries' Education Ministers to establish the NZ-China Vocational Cooperation and Development Alliance, a framework for discussing and enhancing further cooperation. These events are a good way to discuss opportunities to work together to develop sectors in both nations.

After a successful pilot with Apple in 2023 at ten secondary schools in Tāmaki Makaurau a partnership with Apple was extended in 2024 to 50 teachers in 12 Te Tai Tokerau secondary schools and kura kaupapa. This partnership included the development of the Hangarau Matihiko (digital technology) micro-credential, which supported large numbers of Māori and Pasifika kaimahi to increase their skills in computer programming and user experience methodologies. Through this partnership we have reached more than 2,200 ākonga in Te Tai Tokerau.

In December, we hosted the 2024 ITP Rangahau and Research Symposium as three events in Tāmaki Makaurau | Auckland; Ōtautahi | Christchurch; and Wānanga Ipurangi | Online. This symposium was the largest and most diverse research event ever delivered by Te Pūkenga, with more than 275 submissions, representing the work of over 500 kairangahau (researchers) across diverse areas of rangahau and research, including Pacific research.

Following encouragement from the health sector, Te Pūkenga continued to create nationally consistent programmes for nursing, midwifery, and social work. We developed three shared programmes for nursing – the Bachelor of Nursing Māori, the Bachelor of Nursing Pacific, and the Bachelor of Nursing. Similarly, Te Pūkenga developed shared programmes for social work and midwifery. The nursing, midwifery and social work programmes all progressed through the accreditation and approval process with the New Zealand Qualifications Authority (NZQA) and the relevant professional bodies.

Finally, we would like to acknowledge all kaimahi involved in attracting, recruiting, enrolling, training, supporting and retaining ākonga. Their mahi is integral to ensuring the success of our courses, programmes and future entities as well as our financial sustainability. Ka rawe! Numbers for 2025 are looking positive as we navigate change while continuing to focus on what is best for our ākonga, employers, iwi partners and communities.



Sue McCormack

Gus Gilmore

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

Gus Gilmore
Tumuaki |
Chief Executive, Te Pūkenga

Kaitiakitanga | Governance

Te Kaunihera | Members of Council

Member	Start date	Term ends	Appointed by
Sue McCormack **Acting Chair**	1 April 2020	31 March 2027	Minister of Education
Kim Ngārimu	1 April 2020	31 March 2024	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 Professor Peggy Fairbairn-Dunlop	1 April 2021	31 March 2025	Minister of Education
Jordan Gush	4 October 2021	31 December 2025	Interim Learner Committee nomination
Heath Sawyer	4 October 2021	31 December 2025	Interim Staff Committee nomination
Dr Teorongonui (Josie) Keelan	2 November 2021	31 December 2025	Interim Māori Advisory Committee 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

Sue McCormack, Acting Chair

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 has had a long-standing involvement in education. 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.

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.

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.

Tagaloatele Professor Peggy Fairbairn-Dunlop

Tagaloatele Professor 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 she headed the Agriculture Education and Extension programme at the University of the South Pacific. She then held various United Nations posts including Sustainable Human Development Adviser, Head of UNIFEM Pacific and UNESCO Education Adviser.

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.

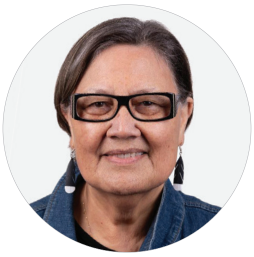
Jordan Gush

Jordan Gush is a BCITO learner and co-chair of the Interim Learner Advisory Committee. He is involved with the Future Leaders Academy which creates leadership opportunities for secondary school students.

Jordan 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 and a Principal Academic Staff member at Te Kuratini o Waikato (Wintec). Heath was previously 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 is currently a Teaching and Learning Coach supporting kaiako in their mahi.



Dr Teorongonui (Josie) Keelan

Josie Keelan is co-chair of the Interim Māori Advisory Committee 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 the Pou Rangahau at Ngā Pae o te Māramatanga, the Maori Centre of Research Excellence, Waipapa Taumata Rau: 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 is a chartered accountant who has acted as a Tertiary Education Consultant to many Government agencies and providers. He was a Director at PwC where he specialised in forensic accounting, restructuring, insolvency administration, and tertiary education. He also acted as an independent consultant to the Risk and Audit Committee of the Tertiary Education Commission and was Chair of the Unified Funding Group advising the Ministry of Education on changes to the funding of the Vocational Education and Training sector.

Jeremy has held senior leadership roles at Te Wananga o Aotearoa and Te Papa Tongarewa – The Museum of New Zealand, as well as acting as an Independent Crown – Monitor to Taratahi Agricultural College, Lincoln University, and TAB NZ.

Bill Moran

Bill Moran 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.

Currently, Bill is Deputy Chair of WorkSafe NZ and NZ Qualifications Authority, a director of TAB NZ and Pioneer Energy and an independent member of the Audit, Finance and Risk Committee of the Queenstown Lakes District Council. In addition, Bill is a trustee of the Parliamentary Education Trust, Hoops and Life Awhi Trust, and Iti Kōpara.

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

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, and of Evolution Healthcare. Earlier in her career, Kim held a range of senior public sector roles in Wellington.

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

John Brockies

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

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

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 some aspects of the appointment of the Chief Executive's direct reports (Tier 2 Employees).

Members: Sue McCormack (Committee Chair until March 2024), Bill Moran (Committee Chair from April 2024), Kim Ngārimu (until March 2024), and Sam Huggard (from April 2024).

Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee was created in December 2023 to replace two previous committees, the Finance and Capital Investment Committee, and the Risk and Audit Committee. Its objectives are to:

- Monitor the finances of Te Pūkenga
- Assist the Council in fulfilling its strategic, financial and compliance responsibilities through governance oversight of the capital assets and infrastructure of Te Pūkenga
- Monitor major strategic projects of Te Pūkenga
- Provide governance and oversight of the disestablishment process
- Assist and advise Council to ensure that the Group has appropriate levels of insurance in place
- Assist the Council in fulfilling its financial and compliance responsibilities

Members: Jeremy Morley (Committee Chair), Bill Moran, Dr Teorongonui (Josie) Keelan, John Brockies*, Sam Huggard (from October 2024), and Sue McCormack (ex-officio Member as Acting Council Chair).

*John Brockies became an Independent Member when his term on Te Pūkenga Council ended on 31 March.

Wellbeing and Safety Committee
(formerly known as Health, Safety and Wellbeing Committee)

The objectives of the Committee are to assist the Council to provide leadership and policy in discharging its wellbeing and safety management governance responsibilities by:

- Guiding the strategic direction, culture, and expectations in relation to best practice wellbeing and safety including Te Pae Māhutonga;
- Ensuring that these give effect to Te Tiriti o Waitangi to embed and uphold this 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, across the entirety of Te Pūkenga network; and
- Reviewing performance of the wellbeing and safety systems and policies and recommending to the Council any necessary changes.

Members: Sam Huggard (Committee Chair), Heath Sawyer, Dr Teorongonui (Josie) Keelan, Tagaloatele Professor Peggy Fairbairn-Dunlop, Jordan Gush (from April 2024), and Sue McCormack (ex-officio member as Acting Council Chair).

Te Poari Akoranga

Te Poari Akoranga is our Academic Board, established under the Education and Training Act. Its membership consists of the Chief Executive and members of the staff and students of Te Pūkenga. It provides strategic academic direction and leadership, and a national infrastructure to ensure quality, compliance and consistency of teaching and learning.

Te Poari Akoranga strives to reflect the principles of Ōritetanga (tertiary success for everyone), innovation, harmonisation and collaboration across Te Pūkenga academic network

Members: Kieran Hewitson (Co-Chair), Deborah Young (Co-Chair), Paora Ammunson, Andrew McSweeney (until April), Fionna Moyer, Glynnis Brook (until July), Diane Lithgow, Fiona Beals, Henry Geary, Doug Pouwhare (until November), Martin Carroll (from May), Te Urikore Biddle (from May), Nita Hutchinson (from May), Scott Klenner (from May), Linda Aumua (from May), and Adele McLean (from August).

Interim Advisory Committees

Te Pūkenga Council is required by the Education and Training Act 2020 to have three advisory committees: a staff committee, a students' committee, and a Māori advisory committee.

The Council must consult each committee about significant matters relating to the council's strategic direction that are relevant to the people represented by that committee and consider any advice given on those matters or any other matters by the committee.

In 2021, the Council established three interim advisory committees to provide advice on the establishment of permanent advisory committees, including elections of kaimahi (staff) and learners/students to the relevant committee. Following the Government's announcement in December 2023 of its intention to disestablish Te Pūkenga, work has ceased on establishing permanent committees.

Komiti Māori (Interim Māori Advisory Committee)

Members: Dr Teorongonui (Josie) Keelan (Committee Co-Chair), Dr Bentham Ohia (Committee Co-Chair), Glenda Taituha-Toka, Jasmine Te Hira (until September) and Dahrian Watene.

Interim Learner Advisory Committee

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

Interim Kaimahi Advisory Committee

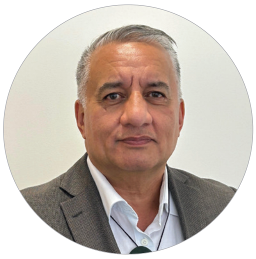
Members: Heath Sawyer (Committee Co-Chair), Warwick Shillito (Committee Co-Chair), Andrea Armstrong, Ang Cooper, Barry Paterson, Craig Ludlow, Henry Ma'alo, Jessica Costall, Jody Takimoana, Linda Aumua, Mary-Liz Broadley, Ramari Raureti, Scott Casley, Keri Youngman and Ali Bahmad.

Rōpū kaiarataki | Leadership team

Te Pūkenga leadership team

- Gus Gilmore, Chief Executive, appointed February 2024
- Paora Ammunson, DCE Tiriti Outcomes, to December 2024
- Ziena Jalil, Chief of Staff
- Phil O'Callaghan, Interim Chief Financial Officer, June 2024 to December 2024
- Michelle Teirney, Chief Financial Officer, to June 2024
- Keri-Anne Tane, Chief People Officer, to May 2024
- Andrew McSweeney, DCE Learner and Employer Experience and Attraction, to April 2024
- Steven Turnbull, Acting Chief Digital Officer, to April 2024
- Dr Megan Gibbons, DCE Academic Centre and Learning Systems, to January 2024

Gus Gilmore
Chief Executive

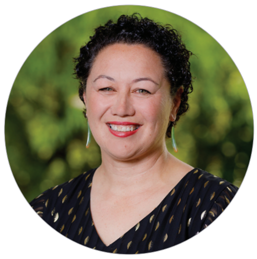


Paora Ammunson
DCE Tiriti Outcomes

Ziena Jalil
Chief of Staff

Phil O'Callaghan
Interim Chief Financial Officer

Michelle Teirney
Chief Financial Officer



Keri-Anne Tane
Chief People Officer

Andrew McSweeney
DCE Learner and Employer Experience and Attraction

Steven Turnbull
Acting Chief Digital Officer

Dr Megan Gibbons
DCE Academic Centre and Learning Systems

Hoaketanga ā-rautaki
Strategic objectives

01

Maximise ākonga success, equity and wellbeing

Ākonga are at the core of what we do. We strive to maximise their outcomes, focusing on the ākonga journey. This objective relates to all ākonga-facing activity and outcomes, including educational and employment success, with a focus on equity, programmes, pathways, and transitions.

Supporting all learners to succeed

Supporting all learners to succeed, particularly Māori, Pacific and disabled ākonga, is at the heart of Te Pūkenga Equity and Ākonga Success Strategy. The strategy sets the direction for investing in initiatives that create an inclusive system for ākonga and their whānau, removing barriers to educational access, participation, persistence, and completion.

Te Pūkenga Manaaki Fund

Te Pūkenga modelling of hardship for ākonga showed that up to 12% of learners are at high risk of dropping out or moving to part-time study due to financial stress. Nationwide, one in four ākonga had financial issues during their study, which is a real barrier to retention and completion.

$7.7M was distributed to business divisions for ākonga support – $5.5M was delivered regionally to ITP divisions and $2.2M to WBL divisions.

This Manaaki Fund assisted 9,988 ākonga (a 54% increase in the number of learners supported compared to 2023). Of those supported, 38% were Māori ākonga, 17% Pacific learners and 19% disabled ākonga. Of the types of support provided, 28% was for food security, 23% for transport, 13% for housing and 10% for utilities.

Te Pūkenga / Te Whatu Ora expanded mental health services

$4.1M was distributed across all business divisions to support mental health services. A total of 12,575 individual learners accessed mental health services throughout 2024, a 71% increase from 2023.

A total of 26,561 sessions were delivered in 2024; these were group-based, individual focussed, or family/whānau inclusive. Sessions were delivered virtually and/or face-to-face. Of note is that 41% of all sessions in 2024 supported ākonga who fall within the 18 to 25 age band.

Quick wins to support ākonga

Under the 'Network Quick Wins' project, $1.48M was distributed to 16 business divisions in support of a range of initiatives focussed on pre-start whanaungatanga, tuakana-teina, and peer-mentoring. In total, 65 initiatives were delivered across our business divisions and involved approximately 45,000 learners (around 17,000 from priority learner groups). This represents a significant scaling up across the network when compared to 2023 (approx. 500% increase). Of the 65 initiatives, 40 were delivered on campus/locally.

Supporting all learners to succeed is at the heart of Te Pūkenga Equity and Ākonga Success Strategy. More than 500 kaimahi completed a two-day Mental Health First Aid Aotearoa programme funded by Te Whatu Ora. The objective was to build the capability of kaimahi to have mental health conversations with ākonga.

In terms of the initiative cycle, approximately a third of all initiatives were classed as developing, a third were deployed in 2024 for the first time, and a third were reoccurring programmes.

Mental Health First Aid Aotearoa programme

Over 500 kaimahi completed a two-day Mental Health First Aid Aotearoa programme funded by Te Whatu Ora. The objective was to build the capability of kaimahi to have mental health conversations with ākonga. Additionally, 10 kaimahi are now trained as facilitators of the programme.

Disability hospitality training pilot

As part of developing accessible hospitality qualifications and pathways into employment for people with disabilities, Manukau Institute of Technology (MIT) and ServiceIQ developed a pilot in partnership with Te Tuhi Café. Together they developed a level 2 Hospitality qualification and resources with blended delivery options for intellectually disabled ākonga to enable them to access credentialed training leading to work and further study pathways. ServiceIQ and Flourish Cafe also delivered a Level 3 Hospitality Savvy programme accessible for neurodiverse trainees. This program is well supported in the community and will continue in 2025.

Seamless pathways

The unified model of education options seeks to reduce the complexities of moving into, through and out of vocational education and into employment. Seamless entry, pathways, and transitions for ākonga include the ability to enrol, participate, and achieve no matter where ākonga are based around the country.

We worked to shape new and existing qualifications and coherent pathways for ākonga (and employers) and leveraged regional delivery to support a mix of provision that prepares ākonga for the future of work. We also looked to optimise the uptake of apprenticeships and cadetships through greater engagement with industry and employers locally, regionally, and nationally.

02

A highly valued, trusted, and sustainable network

Delivering quality training and qualifications, compliance with all regulatory and reporting requirements, and driving sustainability alongside highly effective communications supported our social licence.

Academic integrity

Pastoral Care Code self-review

Te Pūkenga Arotake Whaiaro 2023 (Te Pūkenga Code self-review report) was received and acknowledged by NZQA in July 2024 and released in August. The Code ensures the safety and support of tertiary and international learners enrolled in New Zealand. Our review shows that overall, Te Pūkenga provides effective and code compliant pastoral care to ākonga across the motu. It also highlights a positive shift in compliance levels within each code outcome since the inaugural 2022 self-review report, demonstrating our ongoing commitment to promote ākonga wellbeing and safety.

Rangahau and research

Based on the insight gained from our 2023 research reporting and locally delivered and network-coordinated targeted interventions and support, we saw a large increase in research productivity from Te Pūkenga kaimahi teaching on degree and postgraduate programmes. In addition to locally delivered support, a co-ordinated programme of professional development for researchers was implemented, harnessing the efficiency and scale of our network. We also provided various dissemination opportunities through events such as the ITP Research Symposium and our catalogue of journals. We invested in deeper research insight by upgrading our research output management system and developed tools to manage research compliance risk better.

We also empowered our business divisions by revoking Manaaki Kararehe o Te Pūkenga, the Code of Ethical Conduct for the Use of Animals in Research, Testing, and Teaching, returning decision-making to local bodies.

Financial stability and efficiency

In 2024, Te Pūkenga adapted to the change in Government priorities for VET by:

- Stopping any non-essential digital transformation investments, which reduced planned expenditure by $35m.
- Reducing national office costs and devolving a range of functions and decision making to business divisions.

Committed investments to introduce a central Financial Management and Information System (FMIS) and Enterprise Performance Management system (EPM) continued to implementation phase to drive further cost savings for divisions that adopted them.

With females only accounting for about 18% of employees in the infrastructure industries in general, Girls with Hi-Vis is an annual event targeted at young women as employers seek to increase diversity in their workforce to address critical skills shortages around the country.

The overall financial result in 2024 has been achieved through:

- Enrolling more than 10% additional international EFTS.
- Increase in domestic enrolments for ITP divisions.
- Controlling costs for WBL divisions, especially where enrolments were lower than planned.
- Intensive cost reduction measures including people, programmes and property.
- A strong cash balance and favourable interest rates.

Stakeholders and partners

Te Tiriti partnerships

We made significant progress in advancing Te Tiriti partnership initiatives, with $3.5 million allocated to 15 innovative projects across the network in 2024. These projects aimed to strengthen and grow partnerships with local iwi and hapū, supporting the network's commitment to honouring Te Tiriti o Waitangi and delivering equitable outcomes for ākonga Māori and communities, with a strong regional focus in line with Government directives.

Key partnership projects have been developed in collaboration with Te Arawa Lakes Trust, Pūhoro STEMM Academy, and Te Hiku Iwi Development Trust. Each initiative reflects a shared commitment to innovative and regionally relevant approaches that meet local aspirations.

International partnerships

Te Pūkenga received many international delegations throughout the year, including in June when we hosted a high-level delegation from the Centre for International People-to-People Exchange (CCIPE) at Ngā Kete Wānanga Marae, MIT Ōtara.

The group was in the country to attend a joint China – NZ Education forum, with Chinese Premier Li Qiang and Prime Minister Christopher Luxon present at the closing ceremony of the forum. It was a chance to meet CCIPE leadership, including Director General Changxue Yu, and provided another opportunity to work together to develop vocational education and training sectors in both nations.

Girls with Hi-Vis

Girls with Hi-Vis (GWHV) is an annual event for Te Pūkenga work-based learning division Connexis, and continues to grow in recognition of the need to attract more women into apprenticeships. In 2024, GWHV co-hosted 36 events onsite with employers around the country, attracting more than 650 students from 98 schools. It was also the second year that events were co-hosted with BCITO for industry experience days, onsite with companies in the civil infrastructure, electrical supply, water industries, building and construction sectors, and at some of the country's major infrastructure projects.

With females only accounting for about 18% of employees in the infrastructure industries in general, these events are specifically targeted at young women as employers seek to increase diversity in their workforce to address critical skills shortages around the country.

03

A coordinated and regionally responsive network

We utilise our local presence, experience, and expertise to drive benefits aligned to specific needs for the good of Aotearoa New Zealand. We seek iwi, hapū and Māori input to determine the skills required to meet their aspirations, as well as the needs of employers, industry, and the broader community.

Programme unification

Given strong industry demand, Te Pūkenga developed nationally consistent programmes for nursing, midwifery and social work.

Three shared programmes were developed for nursing – the Bachelor of Nursing, Bachelor of Nursing Māori, and Bachelor of Nursing Pacific. Having shared programmes helps to address some of the inequities faced by Māori and Pacific ākonga around issues such as entry criteria.

The nursing, midwifery and social work programmes all progressed through the accreditation and approval process with NZQA and relevant professional bodies.

Partnerships for delivery

A significant number of Strategic Component Funding (SCF) projects in 2024 focused on supporting business divisions to re-engage with iwi and hapū, fostering meaningful collaborations for the benefit of ākonga Māori and communities. These projects were led by local teams and were aimed at rebuilding relationships while co-designing partnership models that align services and mix of provision with the vocational education aspirations of local iwi and hapū.

Te Hiku workforce development

One notable project between Te Hiku and NorthTec has established a system-wide framework for understanding workforce development needs. This project has also contributed to the creation of a Network of Provision, which aims to strengthen pathways in education, training and employment while ensuring alignment with local and regional needs.

Aquaculture equity initiative

Primary ITO worked with Whakatōhea Mussels to develop a suitably skilled and qualified workforce from the community for their new mussel farm and processing facility in Ōpōtiki. Whakatōhea Mussels provided a trainer to support learners with their personal development, education and training. The project was well supported by the community with 70% of learners being from Opotiki. Sixty percent of learners were Māori and 18% Pacific – with this being the first formal training and factory management experience for many. The programme had a 96% completion rate and many learners secured full-time employment.

Industry alignment

EarnLearn updated its Plumbing, Gasfitting and Drainlaying (PGD) programme to better align with industry demands and improve outcomes for employers, providers and learners with training and assessment meeting national standards. This was met with a positive industry and learner response and the approach will continue in 2025.

It was a big year for nursing ākonga with midwifery, nursing, and social work programmes all progressed through the accreditation and approval process with NZQA and the relevant professional bodies.

Partnership with Apple

In March 2024 there was a graduation for kaiako (teachers) who had completed training as part of our partnership with Apple. Through the programme, kaiako at ten kura (schools) in Tāmaki Makaurau gained skills in iOS app design, prototyping and development, digital media development, computer programming, and user experience methodologies. They are in turn passing these skills on to their classes. This partnership was extended in October to 50 teachers in 12 different kura kaupapa and secondary schools in Te Tai Tokerau.

The partnership included the development of the Hangarau Matihiko (Digital technology) Micro-credential, which has now reached more than 2,200 ākonga. The long-term goal of this project is to pathway more Māori and Pasifika learners into the technology sector by empowering their kaiako to deliver training at school, and by providing all participating schools/kura with the technology to do so.

Quality infrastructure

Property

The High Priority Building Programme is focused on delivering watertightness, asbestos and seismic solutions to buildings with high priority issues. Three roofs were replaced and cladding maintenance took place at two buildings at Western Institute of Technology to resolve watertightness. Construction began on Toi Ohomai Mokoia B block to replace the roof and resolve a seismic issue. Unitec B48 and UCOL Manawatu seismic solutions were approved and are in concept design for construction.

Ten properties have been approved as surplus to requirements, with more being prepared for approval. Income from these disposals is expected to be realised in 2025 and 2026 once the properties go through the Public Works Act disposal process.

Digital

The scope for implementation of the two national digital systems planned for 2024 evolved from a centralised model as stated in the original business case, to a shared services model. Adjustments were made to the design and configuration of both systems to enable business divisions to transition to a new VET structure from 1 January 2026.

- Enterprise Performance Management (EPM) new solution in place and utilised to provide financial management across the Group.
- Financial Management Information System (FMIS) six business divisions transitioned to the centralised Technology1 CiAnywhere system in 2024 with one preparing to transition in February 2025.

Te tuku haurehu kati mahana: he whakarāpopoto
Greenhouse gas emissions summary

In December 2024, in line with the requirement of the Carbon Neutral Government Programme (CNGP), Te Pūkenga released its second Greenhouse Gas (GHG) Emissions Inventory Report for the calendar year (1 January to 31December) 2023.

Te Pūkenga GHG emissions for 2023 were 21,262 tonnes of carbon dioxide equivalent (tCO2-e).

Table 1: Te Pūkenga GHG emissions for 2022 and 2023 by Category

Emissions	2022 tCO2-e	2023 tCO2-e
Category 1 – Direct	8,823	8,957.9
Category 2 – Indirect energy	7,355	4,216.3*
Category 3 – Indirect transport	3,508	4,552.94
Category 4 – Indirect products/services	4,011	3,534.89
Total gross emissions	**23,697**	**21,262**

*The reduction in electricity emissions is largely due to the reduction in the electricity emission factor in 2023.

Table 2: Network emissions summary 2023

Scope	Data collection group	Emissions	
		2022 tC02-e	2023 tC02-e
Scope 1	Fuel	8,450	8,849.7
	Refrigerants and other gases	372	108.2
Scope 1 total		**8,822**	**8,958**
Scope 2	Electricity	7,355	4,216.3
Scope 2 total		**7,355**	**4,216.3**
Scope 3	Business travel	3,442	4,482.8
	Electricity – transmission and distribution losses	674	492.7
	Fuel - transmission and distribution losses	127	86.7
	Products used	276	193.2
	Staff work from home	66	65.5
	Waste	2,047	1,939.8
	Water and wastewater	887	827
Scope 3 total		**7,519**	**8,088**
Grand total		**23,697**	**21,262**

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.

This will be the last Greenhouse Gas (GHG) Emissions Inventory Report for Te Pūkenga as the organisation is progressively disestablished. As business divisions of Te Pūkenga are established they will be considered 'newly formed organisations' under the CNGP guidance. These organisations would continue to fall under Tranche 3 of the CNGP and would therefore be 'encouraged' but not mandated to participate in the programme. Newly formed organisations will have one year following establishment before they would need to report their emissions and a further year after that before they are required to set emission reduction targets.

Ngā hua o tā Te Pūkenga Tauākī Whakamaunga Atu
Statement of Intent outcomes

Te Pūkenga Transitional Statement of Intent 2021 – 2024 includes the organisational strategic intentions as developed in 2020. Due to significant organisational development and shift in strategic intentions many of the objectives are no longer relevant and in 2023 a new Statement of Intent (SOI) was under development to cover 2024-2027. However, with the announcement that Te Pūkenga was to be disestablished, under section 139B (3) of the Crown Entities Act 2024, the Minister for Tertiary Education and Skills waived the requirement for Te Pūkenga to have a Statement of Intent in place for 2024 - 2027. The following reporting is therefore against the original Transitional Statement of Intent. In most cases the final achievement reporting in relation to each objective was presented in the 2023 Annual Report. For completeness these previously reported results have been included in this Annual Report.

It should be noted that this Annual Report is based on the strategic framework outlined in our 2024 Statement of Performance Expectations, which was developed to align with the new, unpublished SOI. Therefore, there is no explicit alignment between the objectives reported below and the strategic framework and performance measures outlined elsewhere in this document.

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 and closed in 2023. Interim Māori Advisory Committee (Komiti Māori) established in 2021. Examples of key activity in 2023: • Appointment of four Tiriti Regional Executive Directors who led Te Tiriti partnerships 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.
Reducing disparity of course completion at levels 4-7 and 7-10 for SAC funded Māori and Pacific learners	Performance against this objective is reported in the SSP section via *Equity in course completion measures* (p.30).

Ākonga at the centre

Objective	Progress
Increasing percentage (or number) of subsidiaries which have adopted the Learner Success Framework	Achieved and closed in 2022. Learner Success Framework was adopted across all business divisions in 2022.
Learner-centred design working groups mobilised	Achieved and closed in 2023. 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 and closed in 2022. Interim Learner Advisory Committee formed in 2021 and a representative retained on Council to present.

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 and closed in 2024. Key activity in 2024: • The Bachelor of Midwifery was the last programme Te Pūkenga put through the unification process. This was approved for delivery by NZQA and TEC in December 2024 for delivery beginning Semester 1 2025. • All 105 Te Pūkenga unified programmes now have a lead Business Division assigned and a national programme Committee has been implemented for each programme which consists of those accredited to deliver.
Establish and mobilise discipline forums	Achieved and closed in 2023. Working groups were mobilised for each new unified programme delivered in 2023 or due for delivery in 2024.

Employer aligned

Objective	Progress
Increasing number of employers engaged with Te Pūkenga programmes	Performance against this objective is reported in the SSP section via *Number of employers entering training agreements* (p.35).

Operating model	
Objective	**Progress**
Operating model designed and agreed by Te Pūkenga Council by 31 December 2021	Achieved and closed in 2022. An operating model was agreed in 2021. Following significant leadership change, this model was redesigned in 2022, but implementation was halted in 2023 following the announcement that Te Pūkenga was to be disestablished.
TITO and work-based learning number of transition plans agreed	Achieved and closed in 2022. All TITO transition plans were agreed in 2022.
Increasing number of apprentices and trainees engaged in on-job training	Performance against this objective is reported in the SSP section via *Performance against delivery targets – DQ3-7 Work-based* (p.34).

Network collaboration	
Objective	**Progress**
Percentage of internal stakeholders who agree that Te Pūkenga is operating as a single entity	No result in 2024. This objective is no longer relevant in the context of disestablishment of Te Pūkenga. For further commentary see the SSP section, *Staff Engagement Score* (p.33).
Percentage of external stakeholders who agree that Te Pūkenga is operating as a single entity	No result in 2024. This objective is no longer relevant in the context of disestablishment of Te Pūkenga.
New international strategy developed	Achieved and closed in 2022. The international strategy was launched in 2022 at a key industry event in the United States of America, attended by the then Education Minister Hon Chris Hipkins.
Governance and accountability	
All legislative requirements met	Not 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 and closed in 2022. External governance review completed in April 2022 and all operational recommendations have been implemented. No further reviews are planned.
Capital asset strategy and network stabilisation	
Capital asset management strategy is developed by 31 December 2021	Achieved and closed in 2021. The strategy was approved by Council in May 2021.

Statutory statements	
Objective	**Progress**
The extent to which the Council has eliminated unnecessary barriers to the progress of students	Examples of key initiatives in 2024: • Te Pūkenga Manaaki Fund reduced the barrier of unexpected hardship that ākonga face while studying and training such as food security, housing and transport. The value of funds distributed in 2024 was $7.7M. • Te Pūkenga / Te Whatu Ora Expanded Mental Health Services - in 2024 $4.1m was distributed across all business divisions to support mental health services.
The extent to which the Council has avoided the creation of unnecessary barriers to the progress of students	Implementation of the 2024 Learner Success Plan (LSP) and National Disability Action Plan (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.
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 in 2024 include: • Disability Hospitality Training pilot - as part of developing accessible hospitality qualifications and pathways into employment for people with disabilities Manukau Institute of Technology (MIT) and ServiceIQ developed a pilot in partnership with Te Tuhi Café. • The National Tuākana Teina Programme, peer mentoring and whanaungatanga for ākonga was continued in 2024 to create a sense of belonging and connection for ākonga and provided peer mentoring and whānau engagement. • Te Pūkenga Manaaki Fund reduces the barrier of unexpected hardship, and has an intentional focus on priority learners, with 37.7% Māori, 16.8% Pacific and 18.5% learners with disabilities receiving funding.
Summary of equal employment opportunities programme for 2024	Council devolved responsibility for EEO programmes back to the business divisions. Local EEO programme focus areas include: • Remuneration and recruitment practices • Leadership capability • Equity within kamiahi surveys where applicable • Embedding EEO into policies • Enabling equity and inclusion in everyday work • Building cultural competency • People and Culture team capability.
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	Satisfactory progress has been made in meeting local EEO programmes. Highlights include: • Equity and inclusion training for People and Culture kaimahi • Unconscious bias training and other relevant EEO training programmes • Inclusion of EEO themes in staff surveys.

Ngā putanga ā-ratonga
Service performance

Tauākī tutukitanga ratonga
Statement of service performance 2024

The strategic direction of Te Pūkenga as set out in governing legislation and Ministerial expectations as at the beginning of 2024 is in turn reflected in our Statement of Performance Expectations 2024 (SPE) and Investment Plan 2024. This statement of service performance includes all measures from the 2024 SPE and some additional data to expand upon and provide insight into factors contributing to the primary results. Contextual information relating to our strategic objectives and service delivery approach is presented on p.4 and pp.14-19.

Appropriation reporting

Support for a single national vocational education institution

The 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.

The following table shows Te Pūkenga appropriations:

All in $000s	To 30 June 2024		To 30 June 2023	
	Actual	Budget	Actual	Budget
Support for a Single National Vocational Education Institution	15,000	15,000	25,000	25,000

How will performance be assessed and End of Year reporting Requirements

	To 30 June 2024		To 30 June 2023	
	Actual	Budget	Actual	Budget
Te Pūkenga submits reports that show it is meeting the targets and milestones from its funding agreement with the Crown	Achieved	Achieved	Achieved	Achieved

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

Crown loan to support the transformation of Te Pūkenga

This is a multi-year appropriation limited to the provision of a concessionary Crown loan to Te Pūkenga for the purpose of implementing an IT transformation programme

The Appropriation commenced on 3 July 2023 and expires 30 June 2028.

Appropriation for Crown loan $(000)

Original Appropriation (from 3 July 2023)	220,000
Actual spend and adjustments FY23-FY24*	(220,000)
Appropriation remaining 30 June 2024	-

*The decrease in this appropriation by $20 million for 2023/24 and $200 million for 2025/26 to 2027/28 to $0 is due to the decision not to provide a concessionary loan facility to Te Pūkenga pending its disestablishment.

Te Pūkenga was expected to submit reports that show it is meeting targets and milestones specified in its loan agreement with the Crown. With the removal of the appropriation this is no longer applicable.

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 2024 fall into three classes of outputs:

- Education and training
- Research
- Transformation

Output class 1: Education and training	**2024**		**2023**	
All in $000s	**Actual**	**Budget**	**Actual**	**Budget**
Revenue	1,419,196	1,394,010	1,356,091	1,468,623
Expenditure	1,394,020	1,434,216	1,373,457	1,477,222
Surplus/ (Deficit)	**25,176**	**(40,206)**	**(17,366)**	**(8,599)**

Output class 2: Research	**2024**		**2023**	
All in $000s	**Actual**	**Budget**	**Actual**	**Budget**
Revenue	12,024	8,731	13,695	11,443
Expenditure	12,308	9,427	15,395	14,038
Surplus/ (Deficit)	**(284)**	**(696)**	**(1,700)**	**(2,595)**

Output class 3: Transformation	**2024**		**2023**	
All in $000s	**Actual**	**Budget**	**Actual**	**Budget**
Revenue	8,888	11,500	1,877	74,400
Expenditure	17,122	64,000	20,675	89,784
Surplus/ (Deficit)	**(8,234)**	**(52,500)**	**(18,798)**	**(15,384)**

These figures are for the period 1 January 2024 to 31 December 2024 (2023: reporting period 1 January 2023 to 31 December 2023) as reflected in the Statement of Comprehensive Revenue and Expense, (p.47).

Performance reporting

2023 comparator data reflects previously published results where available. Where new measures or methodologies have been added in 2024, no 2023 comparator is available – see *Measurement* on page 39. 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 – although this funding mechanism has been replaced, it was used in our 2024 SPE measure definitions. STM (Standard Training Measure) and ITR (Industry Training Register) funding relates to work-based learning only. For measures not defined by TEC, method of calculation is provided in *Performance measure disclosure statements* (pp.41-42).

<table>
<tr><th colspan="5">Objective 1: Maximise ākonga success, equity and wellbeing.</th></tr>
<tr><th>Measure</th><th>2023 Actual</th><th>2024 Target</th><th>2024 Actual[1]</th><th>Commentary</th></tr>
<tr><td colspan="4">Participation – proportion of learners in priority groups:</td><td rowspan="4">Whilst not quite achieving the expected uplift in Māori and Pacific learner participation, it was still pleasing to see increases from 2023.
The increase in engagement by disabled learners beyond the targeted level is particularly noteworthy and reflects successful implementation of business division Disability Action Plans.
Note: as per the methodology defined by TEC, an individual learner may be counted in the results for more than one priority group.</td></tr>
<tr><td>Māori learners</td><td>21.3%</td><td>23.0%</td><td>22.1%</td></tr>
<tr><td>Pacific learners</td><td>9.5%</td><td>9.7%</td><td>9.6%</td></tr>
<tr><td>Disabled learners</td><td>6.7%</td><td>7.0%</td><td>7.7%</td></tr>
<tr><td colspan="4">Equity in course completion for Māori learners:</td><td rowspan="10">Equity measures the difference in course completion or credit achievement rates for Māori and Pacific learners compared with the non-Māori and non-Pacific learner cohort.
Numerical targets are set in our SPE for only combined levels of study. For course completion, the results for Level 4-7 and Level 7-10 cohorts are provided to service SOI targets of 'disparity reducing' in those cohorts specifically (see SOI outcomes on p.22).
Equity in both Māori and Pacific course completion for higher level study, and Pacific credit achievement, have shown pleasing improvements (i.e. reduced disparity).
Despite improving success rates for Māori and Pacific learners (see supplementary EPIC table on p.36), in some cases this has not kept pace with the gains of other learners, and the disparity has increased slightly.
These results highlight the need for Te Pūkenga and its divisions to continue to focus on ways to improve Māori and Pacific learner success, especially so as sector reform activity occurs. Since equity outcomes are primarily the result of disparate issues specific to particular cohorts, these actions are more likely to be effective when designed and implemented at the local level.</td></tr>
<tr><td>All levels</td><td>-8.9%</td><td>-8.0%</td><td>-9.9%</td></tr>
<tr><td>Level 4-7 (non-degree)</td><td>-8.6%</td><td>Disparity reducing</td><td>-9.4%</td></tr>
<tr><td>Level 7 (degree) - 10</td><td>-4.8%</td><td>Disparity reducing</td><td>-4.7%</td></tr>
<tr><td colspan="4">Equity in course completion for Pacific learners:</td></tr>
<tr><td>All levels</td><td>-9.6%</td><td>-9.0%</td><td>-10.4%</td></tr>
<tr><td>Level 4-7 (non-degree)</td><td>-13.5%</td><td>Disparity reducing</td><td>-13.8%</td></tr>
<tr><td>Level 7 (degree) - 10</td><td>-7.2%</td><td>Disparity reducing</td><td>-5.7%</td></tr>
<tr><td>Equity in credit achievement for Māori learners</td><td>-12.4%</td><td>-8.0%</td><td>-13.8%</td></tr>
<tr><td>Equity in credit achievement for Pacific learners</td><td>-15.7%</td><td>-9.0%</td><td>-13.4%</td></tr>
</table>

[1]*Educational performance and enrolment data provisional only - see Measurement on p.39.*

Objective 1: Maximise ākonga success, equity and wellbeing.				
Measure	**2023 Actual**	**2024 Target**	**2024 Actual[1]**	**Commentary**
Course completion (SAC funded):				Targets for Course Completion and Credit Achievement were only set at the "all learners" level for each cohort. Other breakdowns are provided for comparison to 2023. Impressively, all targets were exceeded for both measures of learner success, continuing the trend from 2023 (while acknowledging that equity gaps remain). We attribute this success to the range of network-wide initiatives enabled via strategic component and learner component funding and to local efforts by individual business divisions to ensure focus on learner outcomes despite sector change.
All learners	79.3%	79.4%	81.8%	
Rohe 1[2]	82.9%	n/a	83.9%	
Rohe 2	81.4%	n/a	81.9%	
Rohe 3	75.0%	n/a	79.7%	
Rohe 4	84.9%	n/a	85.7%	
Māori learners:				
All levels	73.1%	74.0%	75.0%	
Levels 4 – 7 (non-degree)	71.6%	n/a	74.0%	
Levels 7 (degree) – 10	83.8%	n/a	85.7%	
Pacific learners:				
All levels	72.4%	73.0%	74.5%	
Levels 4 – 7 (non-degree)	66.7%	n/a	69.6%	
Levels 7 (degree) – 10	81.4%	n/a	84.7%	
Non-Māori and non-Pacific:				
All levels	82.0%	82.0%	84.9%	
Levels 4 – 7 (non-degree)	80.2%	n/a	83.4%	
Levels 7 (degree) – 10	88.6%	n/a	90.4%	
Credit achievement (ITR funded):				
All learners	77.7%	80%	80.4%	
Rohe 1	75.7%	n/a	80.0%	
Rohe 2	80.0%	n/a	79.9%	
Rohe 3	78.4%	n/a	79.6%	
Rohe 4	77.1%	n/a	82.4%	
Cohort-based programme completion (ITR funded)	59.5%	64%	57.7%	The 2024 cohort-based programme completion rate measures completion of 2019 New Zealand Apprentices, 2021 Industry Trainees at Level 4 and above, and 2022 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 WBL divisions to enhance future programme completion rates.

[1] *Educational performance and enrolment data provisional only - see Measurement on p.39.*

[2] ***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.*

Objective 1: Maximise ākonga success, equity and wellbeing.				
Measure	2023 Actual	2024 Target	2024 Actual[1]	Commentary
Ākonga satisfaction with experience	90.1%	Maintain 2023 result	93.3%	The excellent outcomes in these measures continue the trend for improving ākonga experience within Te Pūkenga (see also gains in ākonga NPS). This result is attributable to the range of investments in learner success (at network, regional, and local levels) generating momentum, bedding into practice, and delivering impact. Total size of the cohort undertaking learner surveys in 2024: n=236,805, while the total number of respondents n=37,572. Overall response rate is consistent with 2023 (15.9%). Nil and false rate <0.1%. Total number of respondents who answered experience question n=36,925. Margin of Error 0.47%, Confidence level of 95%. Total number of respondents who answered one or more of the eight wellbeing questions n=36,007. Total number of responses to one or more of the eight wellbeing questions: n=285,072. Margin of Error 0.48%, Confidence level of 95%.
Ākonga wellbeing	90.4%	Maintain 2023 result	92.3%	
Ākonga retention	83.0%	Maintain 2023 result	82.6%	Relatively stable result, given the national economic conditions of 2024 – noting counter-cyclical turnover in participation and enrolment across WBL, and campus-based and online delivery.
Ratio of learners in delivery modes:				These results are as expected and confirm Te Pūkenga is maintaining an appropriate balance of different delivery modes. Note: some learners study in multiple delivery modes.
Work-based	44%[3]	40%	40%	
Provider-based	38%[3]	40%	40%	
Extramural	21%[3]	20%	22%	
Graduate employment rate:				The slight reduction in employment rates is consistent with national economic conditions in 2024.
Provider-based	63%	Maintain 2023 result	60%	
Work-based	85%	Maintain 2023 result	82%	

[1]*Educational performance and enrolment data provisional only - see Measurement on p.39.*

[3]*Previously unaudited result, included for comparative purposes only since this is a new measure in 2024.*

Objective 2: A highly valued, trusted and sustainable network.				
Measure	2023 Actual	2024 Target	2024 Actual[1]	Commentary
Research staff productivity	48%	Maintain 2023 result	52%	This research productivity measure provides a multi-year perspective on research output productivity for kaiako across the fourteen business divisions of Te Pūkenga that deliver degree-level programmes or higher in 2024. Nine business divisions improved their research productivity, four achieved about the same, and one experienced a decline, leading to a 4% increase overall. The net result has been that 678 kaiako produced at least two verified outputs across 2023 and 2024, 81 more than in 2022 and 2023. This is a sizeable improvement in research productivity compared to the previous period, highlighting the effectiveness of interventions implemented in late 2023 and throughout 2024.
NZQA quality assurance evaluation (modified EER)	n/a	Positive result	No result	NZQA did not undertake a quality evaluation in 2024. NZQA have scheduled a Targeted Evaluation approach for three WBL divisions in the first Semester of 2025 – Primary ITO, Connexis and BCITO.
Staff engagement score	No result	60%	No result	In line with government expectations, a number of national functions were devolved to business divisions. Consequently, the national staff engagement survey was one of the planned activities that was discontinued. Some business divisions undertook their own staff surveys but as methodologies differed it is not possible to provide a consolidated view.
Staff retention	84%	85%	87%	The retention figure of 87% suggests a stable workforce across Te Pūkenga network. Where reasons for the 13% that left have been captured, they show most commonly staff left for personal reasons, followed by disestablishment-related redundancies, relocation or retirement.
Ākonga Net Promoter Score	24.2	Maintain 2023 result	34.8	Significant increase seen in 2024 attributable to the range of investments in learner success (at network, regional and local levels) generating momentum, bedding into practice and delivering impact. Total number of respondents who answered NPS question n=37,170. Margin of Error 0.47% Confidence level of 95%.
Māori partners satisfaction	No result	60%	No result	In line with government expectations, a number of national functions were devolved to business divisions. Consequently, the national Māori partners satisfaction survey was one of the planned activities that was discontinued.
Employers Net Promoter Score	28	21.5	33	Employer NPS reflects survey of employers with training agreements for formalised, work-based training provided by WBL divisions. Employers' propensity to recommend business divisions increased in 2024, which is a pleasing result given the uncertainty associated with government sector change proposals. While not all WBL divisions participated in the 2024 survey, 71% of WBL employers were surveyed (n=17,141), which we consider a representative sample. For NPS questions the response rate was 11% (n=1,838). Margin of error 2% and confidence level 95%.

[1] *Educational performance and enrolment data provisional only - see Measurement on p.39.*

Objective 2: A highly valued, trusted and sustainable network.				
Measure	2023 Actual	2024 Target	2024 Actual[1]	Commentary
Achieve delivery targets:				Although overall delivery did not reach expected levels, the delivered mix of provision reflects the prevailing economic conditions in 2024. Rising unemployment and low business confidence, coupled with flow-on impacts of the removal of targeted apprenticeship funding in 2023, resulted in further reductions in work-based learners. Conversely, such conditions have historically favoured enrolments in campus-based and online provision, reflected in improved enrolments in those categories compared with 2023, although not quite reaching target in some cases. Foundational enrolments (DQ1-2 and Youth Guarantee) continue to rise year-on-year. This is a unique and important component of Te Pūkenga portfolio, supporting learners to re-enter education or bridge to higher study. International enrolments were again significantly ahead of target and previous year, reflecting significant international engagement activities across the network and continued post-COVID growth. EFTS targets were set in our agreed Mix of Provision with TEC, via the 2024 Investment Planning process. International EFTS reflect TEC funding source *02 – International fee-paying student.*
Overall	95,244	96,853	92,792	
DQ7+	16,043	16,679	16,265	
International	5,315	5,351	6,875	
Youth guarantee	941	1,126	1,033	
DQ1-2	2,748	3,067	3,063	
DQ3-7 Provider Based (incl Extramural)	27,519	29,300	28,812	
DQ3-7 Work Based	38,606	38,604	33,220	
Other	4,807	2,726	3,524	
Total research revenue	$13,695K	$8,731K	$12,024K	Although slightly less than 2023, research revenue for 2024 exceeded expectations by 38%. This demonstrates the continued strength of rangahau and research within Te Pūkenga, underpinning the productivity gains achieved in 2024. Overall, this is a very positive result, especially given disestablishment activity, financial sustainability pressures and the significant reduction in public funding for research in 2024, which in part underlies the difference in total revenue compared to 2023.
Total international revenue	$99.8M	$133.4M	$136.1M	An active focus on continuing the post-COVID recovery in international markets has seen continued growth, beyond targeted levels.
Overall financial result	($37,864K)	($93,403K)	$16,658K	An overall surplus is a significant outcome, especially with a large deficit budgeted at the beginning of the year. Primary contributors were significant cost reduction, combined with growth in some enrolment categories.

[1]*Educational performance and enrolment data provisional only - see Measurement on p.39.*

Objective 3: A coordinated and regionally responsive network.				
Measure	**2023 Actual**	**2024 Target**	**2024 Actual[1]**	**Commentary**
Te Tiriti o Waitangi Excellence action plans	Not Achieved	Each Group has a Tiriti o Waitangi Excellence action plan in place and is reporting against it	No result	In line with government expectations, several national functions were devolved to business divisions. Consequently, the national coordination of group level Te Tiriti o Waitangi Excellence Action Plans was one of the planned activities that was discontinued.
No. of employers entering training agreements	26,750	29,000	24,136	The decline in employers entering training agreements is consistent with the reduction in work-based learners. This reflects the counter-cyclical enrolment trend seen between work-based and provider-based training in response to national economic factors.
Total domestic EFTS	89,929	96,700*	85,917	Despite increases in some funding categories for campus-based and online enrolments, these were offset by significant reductions in work-based learners, reflecting national economic conditions. *This target published in our 2024 SPE was incorrect and did not reflect our Mix of Provision (MoP) agreed with TEC. The correct target is 91,502, which reflects the delivery targets provided on p.34.
Consistency in course completion and credit achievement across regional groups:				Consistency of learner success across regional divisions has improved compared with 2023 and is within acceptable limits. This indicates learners are receiving comparable quality of teaching and learning at all business divisions.
Course completion	3.7%[3]	Standard deviation of 2% (or less)	2.2%	
Credit achievement	1.6%[3]		1.1%	
Consolidation of digital key systems	n/a	Completion of FMIS and EPM projects	Achieved	FMIS revised scope achieved – six business divisions transitioned to the centralised Technology1 CiAnywhere system in 2024 with one preparing to transition in February 2025. EPM Project results achieved – new solution in place and utilised to provide financial management across the Group.
High priority buildings projects completed or in progress as per funding agreement	n/a	11	11	All High Priority Building Programme projects are in progress or complete. The programme focuses on delivering watertightness, asbestos and seismic solutions to buildings with high priority issues. In 2023 and 2024, four asbestos-clad buildings have been demolished, four buildings have had roofs replaced, and others received remediation of cladding maintenance and seismic issues where required. There are two remaining projects that are to enter construction phase, these seismic remediation projects are in concept design for construction in 2025 and 2026.

[1]Educational performance and enrolment data provisional only - see Measurement on p.39.

[3]Previously unaudited result, included for comparative purposes only since this is a new measure in 2024.

Educational Performance Indicator Commitments (EPIC)

The following table represents our full EPI commitments for 2024 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 2024 SPE as indicated in the table below and that are therefore presented in the SSP tables above. We include the full table here as a supplement to our SSP.

Performance Indicator	2023 Actual	2024 Target	2024 Actual	Included in SPE measures (Y/N)
First year retention rate:				No – replaced with overall ākonga retention measure
Levels 4 to 7 (non-degree):				
Non-Māori and non-Pasifika	55.0%	66.0%	66.8%	
Māori	54.4%	58.0%	55.4%	
Pasifika	49.1%	58.0%	44.1%	
Level 7 degree:				
Non-Māori and non-Pasifika	75.1%	71.0%	77.4%	
Māori	65.3%	62.0%	68.8%	
Pasifika	62.8%	63.0%	68.7%	
First-year apprenticeship retention:				No
All	61.2%	77.0%	70.0%	
Māori	58.6%	75.0%	66.8%	
Pasifika	57.6%	72.0%	64.2%	
Course completion (SAC funded):				Yes
Non-Māori and non-Pasifika	82.0%	82.0%	84.9%	
Māori	73.1%	74.0%	75.0%	
Pasifika	72.4%	73.0%	74.5%	
Credit achievement:				Yes – All levels only
All	77.7%	80.0%	80.4%	
Māori (level 4 and above)	69.5%	60.0%	72.4%	
Pasifika (level 4 and above)	64.3%	68.0%	71.7%	
Provider-based expected number of graduates at level 1 to 3:				No
Non-Māori and non-Pasifika	8,395	11,000	8,174	
Māori	3,603	4,948	3,841	
Pasifika	1,151	1,461	1,398	

Performance Indicator	2023 Actual	2024 Target	2024 Actual	SPE measure
Work-based programme completion:				Yes – All levels only
All levels:				
All	59.5%	64.0%	57.7%	
Māori	52.0%	62.0%	51.7%	
Pasifika	54.7%	62.0%	54.5%	
Levels 1 to 3:				
All	61.8%	66.0%	62.8%	
Māori	56.2%	65.0%	57.8%	
Pasifika	55.8%	65.0%	60.2%	
Levels 4 and above:				
All	57.0%	67.0%	52.8%	
Māori	46.6%	64.0%	44.2%	
Pasifika	53.2%	64.0%	46.2%	
Proportion of total SAC eligible EFTS at level 1-3:				No
Non-Māori and non-Pasifika	59.2%	58.0%	56.8%	
Māori	31.7%	31.5%	33.7%	
Pasifika	11.6%	11.5%	12.5%	
Proportion of total SAC eligible EFTS at level 4-7 (non-degree):				No
Non-Māori and non-Pasifika	74.1%	72.0%	72.6%	
Māori	18.5%	20.0%	19.7%	
Pasifika	8.7%	9.5%	9.3%	
Proportion of total SAC eligible EFTS at level 7 degree:				No
Non-Māori and non-Pasifika	71.7%	70.5%	71.6%	
Māori	17.7%	19.0%	17.9%	
Pasifika	12.2%	12.5%	12.3%	

Performance Indicator	2023 Actual	2024 Target	2024 Actual	SPE Measure
Proportion of total SAC eligible EFTS at level 8-10:				No
Non-Māori and non-Pasifika	75.9%	77.0%	78.0%	
Māori	15.0%	14.5%	13.2%	
Pasifika	10.6%	10.5%	9.5%	
Work-based learning participation rates at level 4 and above:				No
Māori	19.6%	22%	19.1%	
Pasifika	8.7%	7%	8.0%	
Under 25	40.2%	18%	43.8%	
Progression rate from levels 1-3:				No
Non-Māori and non-Pasifika	33.8%	39.0%	37.8%	
Māori	34.7%	40.0%	39.6%	
Pasifika	33.6%	39.0%	33.9%	
The amount of external research income earned ($M)	13.7	8.7	12.0	Yes
The number of international student EFTS	5,315	6,800	6,875	Yes
The number of research degrees completed	251	160	80	No

Note: all educational performance and enrolment data is provisional – see Measurement on p.39.

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 2024. This statement was authorised by Te Pūkenga Council on 30 May 2025.

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 vocational 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.

No significant activities were undertaken by divisions of the Te Pūkenga group.

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.

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 Establishment and Transition. In 2024, the Establishment and Transition output class was amended to Transformation and captures activities funded via Vote Education budget appropriations.

Performance measure selection

During 2023, a process was carried out by Te Pūkenga Council, executive leadership and subject matter experts to identify performance measures underpinning a new strategic framework, based around three strategic objectives for 2024. 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 2023 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 were also selected in the context of the Government intention to disestablish Te Pūkenga.

The performance measures include both quantitative and qualitative methods of measuring progress towards the key objectives and intended outcomes. These are coupled with a range of Educational Performance Indicators (EPIs) that cover the 2024 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 2024.

As we have matured as an organisation, our capability and capacity has increased, and our performance monitoring processes have improved. This has resulted in refinement of our performance measures over time. While our 2024 performance measures cover similar areas to that of our 2023 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,* pp.41-42) given the government's intentions.

Measurement

Actuals provided are based on data currently available. In the case of EPIs and learner numbers/EFTS final 2024 actuals are confirmed by TEC following the April 2025 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 February 2025) to maintain consistency and comparability with previous Annual Reports.

For consistency, 2023 comparator data reflect the previously published provisional result for measures reported in 2023. For measures not previously reported, the 2023 comparator data, where available, reflects the finalised 2023 result.

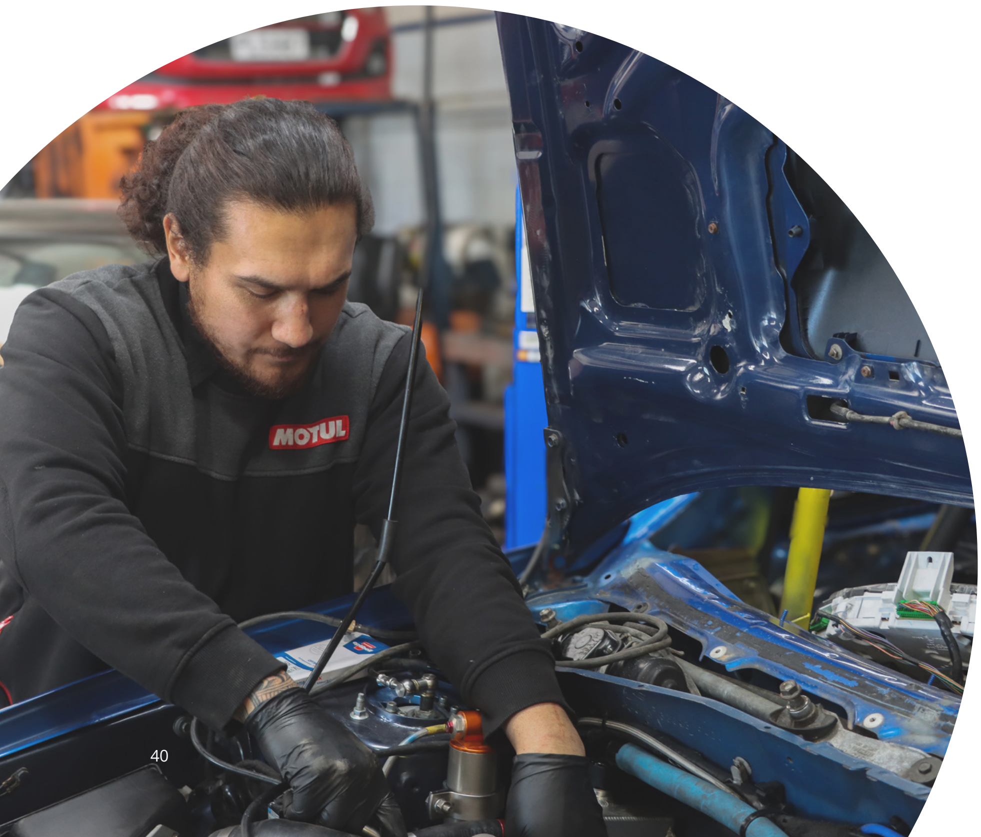
Statement of service performance policies, critical judgements and assumptions

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 (see *Performance measure disclosure statements*). EPI measures include only those learners reported by business divisions to TEC via Single Data Return (SDR) or Industry Training Register (ITR) data collection processes.

For Learner and Employer surveys we used online tools (i.e. SurveyMonkey) that implied their standard digital service limitations and feature set design choices.

Aggregation

In presenting our service performance information for 2024, we have applied the PBE FRS 48 standard. Our Service Performance Information is contained in reporting against Statement of Intent on pages 22-26 and Statement of Service Performance on pages 28-42 which excludes the Greenhouse Gas Emissions Summary reporting. Our performance measures are grouped under the three Te Pūkenga Strategic Objectives as outlined in our 2024 SPE. This grouping helped ensure alignment between performance commitments, key areas of activity in 2024 and government intentions for the future of the sector. Where available, reflects the finalised 2023 result.



Performance measure disclosure statements

Measure	Status relative to 2023	Disclosure statement
Total domestic learners	Discontinued	Replaced with a new measure “Total domestic EFTS” which is a more accurate indicator of delivery volume and subject options aligned to local and regional needs.
Percentage of ākonga enrolments in unified programmes	Discontinued	Due to the Minister’s Letter of Expectations received in Dec 2023 and subsequent decisions made around disestablishment activities, the unification of programmes is no longer considered a strategic priority for Te Pūkenga. Accordingly, this measure was removed from the 2024 SPE.
Brand perception	Discontinued	This measure did not align with the Minister’s Letter of Expectations received in Dec 2023 and was removed from the 2024 SPE.
The development of a rangahau, research and innovation strategy	Discontinued	This measure did not align with the Minister’s Letter of Expectations received in Dec 2023 and was removed from the 2024 SPE.
Organisation structures are in place	Discontinued	Completed in 2023 and removed from 2024 SPE.
Completion of ISSP technology roadmap (2023-2026)	Discontinued	Completed in 2023 and removed from 2024 SPE.
Research staff productivity	Updated	The name of this measure has been updated as per our 2024 SPE, previously "Proportion of staff teaching on degree and postgraduate programmes that are research active". The methodology for calculating the result is the same as in the 2023 Annual Report - proportion of degree and postgraduate teaching staff (FTE) that produce at least two verified outputs across the previous two years.
Total domestic EFTS	New	Equivalent Full-time Student value of domestic course enrolments as defined in section 10 of the Education and Training Act.
Ratio of learners in delivery modes	New	Added to our 2024 SPE to reflect equitable access for learners in each of the delivery modes: work-based, provider-based and extramural.
NZQA quality assurance evaluation (modified EER)	New	Added to our 2024 SPE to reflect academic integrity.
Consistency in course completion and credit achievement across regional groups	New	Added to our 2024 SPE to reflect nationally consistent quality of education and training. It is calculated as a standard deviation between 4 Regions (Rohe). 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.

Measure	Status relative to 2023	Disclosure statement
Consolidation of digital key systems	New	Added to our 2024 SPE to reflect quality infrastructure across the network. The 2024 target was completion of FMIS (Financial Management Information System) and EPM (Enterprise Performance Management) projects.
High Priority Buildings projects completed or in progress as per funding agreement	New	Added to our 2024 SPE to reflect quality infrastructure across the network and to satisfy reporting requirements for the High Priority Building fund.
Employers Net Promoter Score (NPS)	Unchanged	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 was discontinued due to the government's intention to disestablish Te Pūkenga. The following business divisions contributed data to the consolidated NPS score in 2024: Careerforce, BCITO, MITO and Connexis.
Graduate employment rate	Unchanged	Employment rate of 2023 graduating learners in any field post one year of graduation. Data is sourced from the Integrated Data Infrastructure (IDI) and compared with TEC graduate employment models.
Ākonga retention	Unchanged	The percentage of ITP learners that started their enrolment in a reporting year who did not withdraw from their programme of study.
		Each of the following measures draws on data from twice-yearly network-wide learner surveys. The survey was sent to all enrolled learners, excluding short courses, training schemes, trades academy, off-shore programmes, and any other normal exclusions applied by individual business divisions.
Ākonga satisfaction	Unchanged	Based on a Likert scale and signals the percentage of overall agreement with the following statement: “Overall, I am satisfied with my experience”.
Ākonga wellbeing	Unchanged	Calculated from responses to eight 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.
Ākonga Net Promoter Score	New	Added to our 2024 SPE as an indicator of learner sentiment, learners are asked how likely they are to recommend their provider. Calculated by subtracting the percentage of detractors from the percentage of promoters.

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 2024

The Auditor-General is the auditor of Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga) and 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 Group on his behalf.

Opinion

We have audited:

- the financial statements of Te Pūkenga and Group on pages 47-122, that comprise the statement of financial position as at 31 December 2024, 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 Group on pages 22 to 26 and 28 to 42.

In our opinion:

- the financial statements of Te Pūkenga and Group:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2024; and
    - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information of Te Pūkenga and Group:
  - presents fairly, in all material respects, appropriate and meaningful service performance information in accordance with Te Pūkenga's measurement bases or evaluation methods, for the year ended 31 December 2024 including:
    - for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
    - the service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2024; and
    - what has been achieved with the appropriation for the year ended 30 June 2024 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 in accordance with Public Benefit Entity Reporting Standards.

Our audit was completed on 30 May 2025. 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.

Material uncertainty related to going concern

Without modifying our opinion, we draw attention to the disclosure in note 1 on page 55 and note 30 on page 122 about the use of the going concern assumption for preparing the financial statements of Te Pūkenga and Group.

The Government has agreed to amend the Education and Training Act 2020 to disestablish Te Pūkenga and allow Institutes of Technology and Polytechnics to be established as autonomous entities. Te Pūkenga is expected to be disestablished by the end of 2026 but there is uncertainty around the timing of transition to the new vocational education and training system and the eventual disestablishment of Te Pūkenga. This matter indicates that a material uncertainty exists that casts significant doubt over Te Pūkenga's ability to continue as a going concern for the foreseeable future.

Basis for our opinion

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

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

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

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

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

The Council is also responsible on behalf of Te Pūkenga and Group for preparing performance information and an appropriation statement that are fairly presented and that complies 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 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 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 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 and 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 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 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 and meaningfulness of the reported performance information, and the measurement bases or evaluation methods, in accordance with Te Pūkenga's framework for reporting its performance in accordance with generally accepted accounting practice in New Zealand.
- 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 or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Te Pūkenga and 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 the consolidated performance information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 21, 27, 43, 46 and 123 to 128 but does not include the financial statements, the performance information, the appropriation statement 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 2024 to 31 December 2024
- The Statement of Performance fairly reflects the performance of the Group for 1 January 2024 to 31 December 2024
- The Financial Statements fairly reflect the financial position and operations of the Parent and the group for 1 January 2024 to 31 December 2024.

Signed by:

Sue McCormack
Heamana ō-naianei |
Acting Chair, Te Pūkenga Council
30 May 2025

Gus Gilmore
Tumuaki |
Chief Executive
30 May 2025

Statement of Comprehensive Revenue and Expense

for the year ended 31 December 2024

		Group			Parent		
All in $000s	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Budget 2024	Actual 2023
Revenue							
Government funding	2	891,340	879,422	858,249	891,340	879,422	858,252
Tuition fees and departmental revenue	2	399,361	399,812	373,061	398,602	399,812	371,251
Other revenue	2	149,407	135,007	140,353	139,904	135,007	123,956
Total revenue		**1,440,108**	**1,414,241**	**1,371,663**	**1,429,846**	**1,414,241**	**1,353,459**
Expenditure							
Employee expenses	3	856,586	895,565	839,318	853,093	895,565	834,688
Depreciation expense	10	95,584	116,975	99,814	95,016	116,975	99,169
Amortisation expense	11	22,190	15,638	24,885	21,591	15,638	24,381
Finance costs	3	4,819	3,766	5,211	4,200	3,766	4,606
Administration and other expenses	3	444,288	475,700	440,299	445,691	475,700	432,698
Total expenditure		**1,423,467**	**1,507,644**	**1,409,527**	**1,419,591**	**1,507,644**	**1,395,542**
Share of associate / joint venture		17	0	0	17	0	0
Surplus/(deficit)		**16,658**	**(93,403)**	**(37,864)**	**10,272**	**(93,403)**	**(42,083)**
Other comprehensive revenue and expense							
Items that will not be reclassified to surplus/(deficit)							
Revaluation of land and buildings	21	(12,937)	0	73,458	(18,042)	0	71,166
Changes in value of equity investments classified as at fair value through other comprehensive revenue and expense		0	0	0	0	0	0
Total items that will not be reclassified to surplus/(deficit)		**(12,937)**	**0**	**73,458**	**(18,042)**	**0**	**71,166**
Total other comprehensive revenue/(expense)		**(12,937)**	**0**	**73,458**	**(18,042)**	**0**	**71,166**
Total comprehensive revenue/(expense)		**3,721**	**(93,403)**	**35,594**	**(7,770)**	**(93,403)**	**29,083**
Total comprehensive revenue and expense for the period attributable to:							
The Crown		3,721	(93,403)	35,594	(7,770)	(93,403)	29,083
Total		**3,721**	**(93,403)**	**35,594**	**(7,770)**	**(93,403)**	**29,083**

The budget for the Parent and the Group relates to the published Statement of Performance Expectations 2024.
Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 31 December 2024

		Group			Parent		
All in $000s	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Budget 2024	Actual 2023
Current assets							
Cash and cash equivalents	4	381,694	224,571	338,905	376,646	224,571	330,853
Student fees and other receivables	5	35,220	296,065	56,633	34,674	296,065	58,120
Related Party Receivables	5	0	0	0	2,254	0	2,292
Prepayments		24,210	22,609	26,029	24,147	22,609	25,899
Inventory	6	9,926	7,404	9,754	8,805	7,404	8,696
Assets held for sale	7	8,115	0	8,250	8,115	0	8,250
Other financial assets	19	186,053	53,590	148,336	177,971	53,590	143,135
Total current assets		**645,218**	**604,239**	**587,907**	**632,612**	**604,239**	**577,245**
Non-current assets							
Property, plant and equipment	10	2,299,549	2,460,102	2,369,476	2,263,875	2,460,102	2,338,331
Intangible assets	11	41,650	35,309	51,496	40,280	35,309	49,957
Assets under construction - property, plant and equipment	10	27,802	0	14,936	27,403	0	14,725
Assets under construction - intangibles	11	4,524	0	7,546	4,112	0	7,364
Investment in associate, joint ventures and subsidiaries	12	2,102	0	4,437	6,380	0	4,437
Investment property	13	3,370	0	3,250	0	0	0
Derivative financial instruments	8	0	0	392	0	0	0
Other financial assets - non-current	19	7,969	63,367	9,361	175	63,367	3,195
Total non-current assets		**2,386,966**	**2,558,778**	**2,460,894**	**2,342,225**	**2,558,778**	**2,418,009**
Total assets		**3,032,184**	**3,163,017**	**3,048,801**	**2,974,837**	**3,163,017**	**2,995,254**

All in $000s	Note	Group Actual 2024	Group Budget 2024	Group Actual 2023	Parent Actual 2024	Parent Budget 2024	Parent Actual 2023
Current liabilities							
Trade and other payables	14	112,596	125,200	167,377	105,061	125,200	162,998
Related party payables	14	0	0	0	1,151	0	950
Employee entitlements	15	72,391	62,067	65,840	72,114	62,067	65,492
Revenue received in advance	16	147,266	195,020	121,599	147,169	195,020	120,277
Borrowings	17	7,120	199,753	6,229	6,560	199,753	5,669
Finance leases	18	1,399	0	2,079	1,399	0	2,079
Provisions - current	9	13,040	0	5,522	13,040	0	4,603
Total current liabilities		**353,812**	**582,040**	**368,646**	**346,494**	**582,040**	**362,068**
Non-current liabilities							
Employee entitlements	15	3,345	3,583	3,526	3,345	3,583	3,526
Revenue received in advance	16	771	0	814	0	0	0
Borrowings	17	40,911	110,797	42,505	32,094	110,797	33,128
Finance leases	18	34,164	25,226	35,548	34,164	25,226	35,549
Derivative financial instruments	8	105	0	0	0	0	0
Provisions - non-current	9	485	8,468	6,899	485	8,468	3,043
Total non-current liabilities		**79,781**	**148,074**	**89,292**	**70,088**	**148,074**	**75,246**
Total liabilities		**433,593**	**730,114**	**457,938**	**416,582**	**730,114**	**437,314**
Net assets		**2,598,591**	**2,432,903**	**2,590,863**	**2,558,255**	**2,432,903**	**2,557,940**
EQUITY							
General funds	21	1,268,717	1,137,308	1,235,282	1,248,209	1,137,308	1,217,398
Property revaluation reserve	21	1,208,661	1,241,414	1,221,598	1,190,695	1,241,414	1,208,737
Trust, endowments and bequests	21	4,306	1,058	4,086	2,444	1,058	2,440
Restricted reserves	21	116,907	53,123	129,897	116,907	53,123	129,365
Total equity attributable to Te Pūkenga		**2,598,591**	**2,432,903**	**2,590,863**	**2,558,255**	**2,432,903**	**2,557,940**
Total equity		**2,598,591**	**2,432,903**	**2,590,863**	**2,558,255**	**2,432,903**	**2,557,940**

2023 Student Fees and other receivables, and Revenue in Advance have been reclassified as described under policy "Change in Student Fees and Other Receivable accounting policy (Note 5)."
The budget for the Parent and Group relates to the published Statement of Performance Expectations 2024.
Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2024

		Group			Parent		
All in $000s	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Budget 2024	Actual 2023
Opening balance		2,590,863	2,526,306	2,552,862	2,557,940	2,526,306	2,410,534
Acquired on amalgamation		0	0	0	0	0	115,919
Other comprehensive revenue and expense							
Surplus/(deficit)	21	16,658	(93,403)	(37,864)	10,272	(93,403)	(42,083)
Other comprehensive revenue	21	(12,937)	0	73,458	(18,042)	0	71,166
Total comprehensive revenue and expense		**3,721**	**(93,403)**	**35,594**	**(7,770)**	**(93,403)**	**29,083**
Other transactions							
Movement in reserves	21	(6,715)	0	2,407	(6,915)	0	2,404
Other adjustments	21	(4,278)	0	0	0	0	0
Capital contributed from the Crown	21	15,000	0	0	15,000	0	0
Total other transactions		**4,007**	**0**	**2,407**	**8,085**	**0**	**2,404**
Balance at 31 December		**2,598,591**	**2,432,903**	**2,590,863**	**2,558,255**	**2,432,903**	**2,557,940**

The budget for the Parent and Group relates to the published Statement of Performance Expectations 2024.
Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2024

		Group			Parent		
All in $000s	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Budget 2024	Actual 2023
Cash flow from operating activities							
Receipts from Government grants		921,379	902,456	835,428	921,379	902,456	835,447
Receipts from student fees		414,578	438,166	379,389	413,598	438,166	376,660
Receipt of dividends		0	0	17	0	0	17
Receipt of interest		35,989	14,595	24,095	34,302	14,595	22,815
Receipt of other revenue		109,548	146,608	90,640	102,635	146,608	81,740
Goods and services tax (net)		7,377	(21,517)	(7,098)	7,461	(21,517)	(7,163)
Payments to employees		(850,744)	(871,286)	(837,417)	(846,652)	(871,286)	(832,929)
Payments to suppliers		(498,616)	(556,766)	(392,912)	(496,673)	(556,766)	(384,777)
Interest paid		(3,554)	(1,201)	(5,210)	(4,200)	(1,201)	(4,606)
Net cash flow from operating activities		**135,957**	**51,055**	**86,932**	**131,850**	**51,055**	**87,204**
Cash flow from investing activities							
Insurance proceeds - capital		435	0	14,042	435	0	14,042
Proceeds from sale of property, plant and equipment		1,128	28,130	11,334	1,115	28,130	11,339
Proceeds from sale or maturity of investments		372,151	36,713	984,895	376,305	36,713	984,895
Purchase of property, plant and equipment		(54,454)	(205,535)	(60,796)	(55,388)	(205,535)	(60,679)
Purchase of investments		(410,025)	(29,673)	(1,017,876)	(409,806)	(29,673)	(1,016,026)
Purchase of intangible assets		(12,866)	(10,534)	(17,818)	(9,490)	(10,534)	(17,215)
Net cash flow used in investing activities		**(103,631)**	**(180,899)**	**(86,219)**	**(96,829)**	**(180,899)**	**(83,644)**
Cash flows from financing activities							
Proceeds from borrowings		250	82,725	5,636	0	82,725	3,164
Proceeds from capital contributions from the Crown		15,000	20,010	0	15,000	20,010	0
Repayment of borrowings		(2,722)	(5,316)	(560)	(2,163)	(5,316)	0
Repayment of finance leases		(2,065)	0	(2,107)	(2,065)	0	(2,107)
Distributions from other Financial activities		0	(11,091)	(2,416)	0	(11,091)	0
Net cash flows from financing activities		**10,463**	**86,328**	**553**	**10,772**	**86,328**	**1,057**
Net (decrease)/increase in cash and cash equivalents		**42,789**	**(43,516)**	**1,266**	**45,793**	**(43,516)**	**4,617**
Cash and cash equivalents at beginning of the period		**338,905**	**268,087**	**337,639**	**330,853**	**268,087**	**272,339**
Cash and cash equivalents from amalgamation		**0**	**0**	**0**	**0**	**0**	**53,897**
Cash and cash equivalents at end of the year	4	**381,694**	**224,571**	**338,905**	**376,646**	**224,571**	**330,853**

The budget for the Parent and Group relates to the published Statement of Performance Expectations 2024.
Explanations of major variances against budget are provided in Note 22.
The accompanying notes form part of these financial statements.

Reconciliation of movements in liabilities arising from financing activities

for the year ended 31 December 2024

	Group			
All in $000s	**Total**	**Secured loans**	**Finance Leases**	**Interest Rate Swaps**
Balance at 1 January 2024	86,754	48,734	37,628	392
Net cashflows	(4,788)	(2,723)	(2,065)	0
Fair value	1,523	2,020	0	(497)
Balance at 31 December 2024	**83,489**	**48,031**	**35,563**	**(105)**

	Parent			
All in $000s	**Total**	**Secured loans**	**Finance Leases**	**Interest Rate Swaps**
Balance at 1 January 2024	76,817	38,797	37,628	392
Net cashflows	(4,620)	(2,163)	(2,065)	(392)
Fair value	2,020	2,020	0	0
Balance at 31 December 2024	**74,217**	**38,654**	**35,563**	**0**

	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 charges	(50)	0	0	(50)
Balance at 31 December 2023	**76,817**	**38,797**	**37,628**	**392**

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

for the year ended 31 December 2024

	Group		Parent	
All in $000s	**Actual 2024**	**Actual 2023**	**Actual 2024**	**Actual 2023**
Surplus/(deficit)	16,658	(37,864)	10,272	(42,083)
Add/(less) non cash items:				
Depreciation and amortisation expense	117,774	124,699	116,607	123,550
Impairment	1,887	11,694	1,887	11,694
Bad debt provision movement	2,431	7,998	2,431	7,998
Other losses/(gains)	0	(2,912)	0	817
Bad debt expense	3,645	0	3,640	0
Share of Associate / Joint Venture	(17)	0	(17)	0
Add/(less) items classified as investing or financing activities:				
Net loss/(gain) on disposal of property, plant and equipment	1,577	1,414	112	1,371
Concessionary loan movement	2,020	0	2,020	0
Insurance proceeds - Capital	0	(14,042)	0	(14,042)
Insurance proceeds	(435)	0	(435)	0
Add/(less) movements in working capital:				
(Increase)/decrease in accounts receivable and other receivables	22,013	(920)	23,484	(26,047)
(Increase)/decrease in inventories	(174)	(1,901)	(109)	(1,929)
(Increase)/decrease in prepayments	1,820	(13,742)	1,752	(13,738)
(Increase)/decrease in other financial assets	0	(21)	0	0
Increase/(decrease) in employee entitlements	6,370	1,782	6,441	1,759
Increase/(decrease) in trade and other payables	(66,340)	13,919	(69,006)	38,946
Increase/(decrease) in provisions	1,104	(6,319)	5,879	(5,949)
Increase/(decrease) in fees in advance	25,624	3,150	26,892	4,857
Net cash from operating activities	**135,957**	**86,932**	**131,850**	**87,204**

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

Note Index

Notes to the Financial Statements

for the year ended 31 December 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

REPORTING ENTITY

Te Pūkenga - New Zealand Institute of Skills and Technology (Te Pūkenga, the Institute) is a Tertiary Education Institution (TEI), and with its subsidiaries, the Group, 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. This annual report highlights the performance and position of the consolidated Te Pūkenga and Group year on year.

Te Pūkenga and Group provides educational and research services for the benefit of the community with the intent of making a financial return. Te Pūkenga and Group has designated itself the group as a public benefit entity PBE 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. The parent consists of Te Pūkenga National Office 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 Te Pūkenga and Group are for the year ended 31 December 2024, and were authorised for issue by the Council on 30 May 2025.

BASIS OF PREPARATION

As further described in note 30, in December 2024, the Minister for Vocational Education, Hon Penny Simmonds advised that the Government has agreed to amend the Education and Training Act 2020 to disestablish Te Pūkenga by the end of 2026. A new vocational education and training system will be progressively implemented from 1 January 2026.

These financial statements have been prepared on a going concern basis. However, there is material uncertainty around the timing of transition to the new vocational education and training system and the eventual disestablishment of Te Pūkenga. Based on all information available, Council assumes that disestablishment of Te Pūkenga will not occur for at least twelve months from the date of approving the annual report.

The accounting policies have been consistently applied throughout the period with no change in the basis of measurement.

Reporting period

The reporting period for the current year is for the 12-month period 1 January 2024 to 31 December 2024, 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 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 2024 budget figures have been derived from the budget approved by Te Pūkenga Council at the end of 2023. The figures presented in these financial statements (and as approved by Council) have been directly derived from the Statement of Performance Expectations. The approved budgets are Group level only. Reporting for both the Group and the Parent is against the Group budget as the difference is not material. 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 2024 to 31 December 2024.

Notes to the Financial Statements

for the year ended 31 December 2024

1. STATEMENT OF MATERIAL 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

Impairment of all assets is assessed at each reporting date by evaluating conditions specific to Te Pūkenga and 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 where this is considered to be material. Due to Cyclone Gabrielle damage in February 2023, Eastern Institute of Technology (EIT) has provided for impairment over the buildings and other physical assets at their Taradale campus. This impairment has not been fully remediated as at 31 December 2024.

Course development costs

Te Pūkenga and 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, Te Pūkenga and Group has applied judgment as to the future economic benefit of capitalised course development costs.

Cost allocation

Te Pūkenga and Group funded activity during 2024 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. All other figures in the statement of financial position and the statement of comprehensive revenue and expenses are stated exclusive of GST. 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 Group are exempt from Income Tax as determined by legislation. 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 Te Pūkenga and Group financial statements.

Change in Student Fees and Other Receivables accounting policy (Note 5 and 16)

During the year ended 31 December 2024, Te Pūkenga revised its accounting policy for the recognition of student receivables. Previously, Student Receivables and Revenue Received in Advance could be recognised when invoices for student fees were issued before year-end for the following academic year. The revised policy clarifies that student fee receivables are recognised at the point when the course withdrawal has passed, aligning with the revenue recognition policy. Cash payments received before this point are recognised as Revenue Received in Advance. The refinement aligns the accounting policy with the recognition criteria for Delivery and Qualification (DQ) funding in Note 2- Revenue, providing more relevant and reliable information to users of the financial statements.

The impact of this change in accounting policy on the financial statements is a reduction in the Student Fee receivables balance and Revenue Received in Advance by $62,488,000 as at 31 December 2023. This also led to consequential changes to Note 5 – Student Fees and Other Receivables, Note 16 – Revenue Received in Advance, and Note 19 – Other Financial Assets and Liabilities. There is no impact on the statement of comprehensive income for 2023 or 2024 or on retained earnings and equity balances.

Note 5 - Receivables:
2023 Student fees and other receivables, and Revenue in advance have been reclassified as described under policy "Change in Student Fees and Other Receivable accounting policy (Note 5 and 16)."

2. REVENUE

ACCOUNTING POLICY

Revenue is measured at fair value, being the consideration received or receivable (i.e., cash). The specific accounting policies for significant revenue items are explained below.

Delivery + Qualification funding
Delivery + qualification funding (DQ) is the main source of operational funding for Te Pūkenga from the Tertiary Education Commission (TEC). Te Pūkenga National office received this monthly in advance from TEC and passed it onto the business divisions. Te Pūkenga considers DQ funding to be non-exchange revenue and would normally recognise 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 underdelivery (i.e. being the difference between what Te Pūkenga has been funded on, with what Te Pūkenga should be funded based on confirmed enrolments), as at 31 December 2024, is required to be 'clawed back' to TEC in the year following; any funds subject to claw back are recognised as a liability in the Statement of Financial Position, being Revenue received in advance.

Tuition fees
Domestic student tuition fees are subsidised by government funding and are considered non-exchange. 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
Fees Free tertiary education and training is for first time tertiary learners in their first year of provider-based study, or in their first two years of work-based learning.

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. 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 Te Pūkenga has been funded on, with what Te Pūkenga should be funded based on confirmed enrolments), on a collective 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.

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. 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
Department revenue including sales of goods is recognised as exchange revenue 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.

Notes to the Financial Statements
for the year ended 31 December 2024

2. REVENUE (CONTINUED)

All in $000s	Group		Parent	
	Actual 2024	Actual* 2023	Actual 2024	Actual* 2023
Government funding classified as non-exchange transactions				
ACE	3,671	3,364	3,671	3,364
Equity Funding	576	397	576	397
Delivery funding	718,758	764,725	718,758	764,725
ESOL	1,636	3,950	1,636	3,950
Literacy and Numeracy	2,112	3,361	2,112	3,361
Maori and Pacific Trades Training	11,949	2,198	11,949	2,198
Performance based research	9,007	8,801	9,007	8,801
Secondary-Tertiary Interface	28,071	22,177	28,071	22,177
Special Education	656	279	656	279
Youth Guarantee	16,994	13,817	16,994	13,817
Other Government Grants	97,910	35,180	97,910	35,183
Total Government funding classified as non-exchange transactions	**891,340**	**858,249**	**891,340**	**858,252**
Tuition fees and departmental revenue classified as exchange transactions				
Tuition fees - international students	136,098	99,844	135,339	98,034
Departmental revenue (non-base revenue and recoveries)	0	3,329	0	3,329
Other tuition fees classed as exchange transactions	4,608	3,254	4,608	3,254
Total tuition fees and departmental revenue classified as exchange transactions	**140,706**	**106,427**	**139,947**	**104,617**
Tuition fees and departmental revenue classified as non-exchange transactions				
Tuition fees - domestic students	185,804	190,010	185,804	190,010
Fees free funding	72,851	43,846	72,851	43,846
Targeted training and apprenticeship funding (TTAF)	0	32,778	0	32,778
Total tuition fees and departmental revenue classified as non-exchange transactions	**258,655**	**266,634**	**258,655**	**266,634**
Total tuition fees and departmental revenue	**399,361**	**373,061**	**398,602**	**371,251**

		Group		Parent	
All in $000s	Note	Actual 2024	Actual* 2023	Actual 2024	Actual* 2023
Other revenue classified as exchange transactions					
Other revenue		94,630	79,178	87,008	64,071
Insurance proceeds - capital		435	14,042	435	14,042
Gain on disposal of property, plant and equipment		306	1,548	306	1,548
Net Gain on interest rate swaps - classified as fair value through profit or loss		0	442	0	442
Interest revenue		35,989	23,238	34,303	21,955
Dividend revenue		15	17	15	17
Research revenue		3,554	6,198	3,554	6,198
Secondment revenue		772	712	772	712
Rental revenue from property		0	1,026	0	1,026
Student service fees (International students)		810	4,599	810	4,599
Total other revenue classified as exchange transaction		**136,511**	**131,000**	**127,203**	**114,610**
Other revenue classified as non-exchange transactions					
Other revenue		2,003	3,601	1,808	3,601
Interest revenue		0	867	0	860
Student Service Fees (Domestic students)		10,893	4,885	10,893	4,885
Total other revenue classified as non-exchange transactions		**12,896**	**9,353**	**12,701**	**9,346**
Total other revenue		**149,407**	**140,353**	**139,904**	**123,956**
Total revenue		**1,440,108**	**1,371,663**	**1,429,846**	**1,353,459**
Revenue classification					
Exchange revenue		277,217	237,427	267,150	219,227
Non-exchange revenue		1,162,891	1,134,236	1,162,696	1,134,232
Total revenue		**1,440,108**	**1,371,663**	**1,429,846**	**1,353,459**

*The 2024 revenue classification has been modified from the Annual Report 2023 disclosure and therefore the 2023 figures have been reclassified to match. The net impact is Nil.

Notes to the Financial Statements

for the year ended 31 December 2024

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. Long service leave and retirement leave are recognised as current liabilities when it is expected the liability will be settled within 12 months with the remainder being recognised as a non-current liability where settlement is expected to be beyond 12 months. Refer to Note 15.

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 2024	Actual 2023	Actual 2024	Actual 2023
Employee expenses					
Wages and salaries		799,952	797,804	796,636	793,509
Defined contribution plan employer contributions		17,888	18,834	17,811	18,749
Councillors and Board fees		812	714	691	584
Increase/(decrease) in employee benefit liabilities		1,311	3,167	1,352	3,164
Other employee expenses		24,670	12,897	24,650	12,781
Restructuring expenses		11,953	5,902	11,953	5,902
Total employee benefits expense		**856,586**	**839,318**	**853,093**	**834,688**
Depreciation and amortisation expenses					
Depreciation	10	95,584	99,814	95,016	99,169
Amortisation	11	22,190	24,885	21,591	24,381
Total Depreciation and Amortisation expenses		**117,774**	**124,699**	**116,607**	**123,550**
Finance costs					
Finance costs		4,819	5,211	4,200	4,606
Total finance costs		**4,819**	**5,211**	**4,200**	**4,606**

All in $000s	Note	Group Actual 2024	Group Actual 2023	Parent Actual 2024	Parent Actual 2023
Auditors' remuneration					
Audit of the financial report					
Fees paid to Audit New Zealand for the audit of the Group		4,054	3,676	4,054	3,676
Additional fees paid to Audit New Zealand for the audits of 2021, 2022 and 2023		304	247	304	247
Fees paid to Audit New Zealand for the 30 June audit		189	175	189	175
Fees paid to BDO for the audit of financial statements (OPAIC)		0	5	0	0
Fees paid to Audit New Zealand for the audit Southern Lakes English financial statements		64	51	0	0
Fees paid to Deloitte for the audit of OEDT financial statements		41	30	0	0
Fees paid to Chris Saxton CA Limited for the audit of Open Education Resource Foundation Ltd financial statements		6	0	0	0
Fees paid to PKF for the audit of SODA Inc, and Wintec Foundation financial statements in 2023		0	11	0	0
Fees paid to PWC for the audit of Soda Inc (2024), Learning Works (2023 and 2024) and Wintec Foundation (2024) financial statements		48	24	0	0
Total of audit of the financial reports		**4,706**	**4,219**	**4,547**	**4,098**
Audit related services					
Fees paid to Audit New Zealand for the audit of Performance based Research funding		36	41	36	41
Total of audit related services		**36**	**41**	**36**	**41**
Total auditors remuneration		**4,742**	**4,260**	**4,583**	**4,139**

No other services have been undertaken by Audit NZ other than the audit of financial statements.

Notes to the Financial Statements

for the year ended 31 December 2024

3. EXPENDITURE

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Administrative Costs					
Administrative, materials and consumables expenses		25,331	55,068	25,831	51,579
Bad and doubtful debts - written-off	5	2,431	4,643	2,431	4,644
Course delivery expenses		172,971	119,319	171,865	119,319
Discontinued operations		0	73	0	73
Donations & koha		218	148	218	147
Impairment of property, plant and equipment	10	1,224	7,130	1,224	7,130
Impairment of intangibles	11	663	3,997	663	3,997
Inventory write-downs	6	54	756	54	756
Loss on disposal of investments		0	1,810	0	1,810
Loss on disposal of property, plant and equipment		1,880	747	1,880	747
Loss on disposal of trust operations		0	1,147	0	1,147
Marketing expenses		22,493	22,870	22,337	22,551
Minor assets		2,836	2,301	2,833	2,298
Net increase/(decrease) bad and doubtful debts provision	5	3,645	3,354	3,640	3,354
Occupancy expense		39,802	47,822	40,532	49,128
Operating lease payments		35,273	28,208	37,300	26,074
Other expenditure		103,254	106,273	104,921	103,794
Professional services		19,286	20,971	17,242	20,954
Research & development expense		1,882	2,432	1,882	2,432
Scholarships		6,304	6,969	6,255	6,624
Total administative costs		**439,546**	**436,039**	**441,108**	**428,559**
Total administration and other expenses		**444,288**	**440,299**	**445,691**	**432,698**
Total expenditure		**1,423,467**	**1,409,527**	**1,419,591**	**1,395,542**

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.

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 2024	Actual 2023	Actual 2024	Actual 2023
Cash at bank and on hand		374,571	291,879	369,656	287,940
Call deposits		6,990	14,524	6,990	10,411
Term deposits with maturities of 3 months or less at acquisition		133	32,502	0	32,502
Total cash and cash equivalents		**381,694**	**338,905**	**376,646**	**330,853**

For details of cash with restricted use refer to Note 21.

Notes to the Financial Statements

for the year ended 31 December 2024

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.

Student fees are recognised at the point when the course withdrawal period has passed. Cash payments received before this point are recognised as Revenue Received in Advance.

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

2023 Student Fees and other receivables, and Revenue in Advance have been reclassified as described under policy "Change in Student Fees and Other Receivable accounting policy (Note 5 and 16)."

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Student fee receivables					
Student fee receivables		17,516	23,741	17,512	22,641
Less: allowance for credit losses		(10,395)	(5,946)	(10,395)	(5,946)
Net student fee receivables		**7,121**	**17,795**	**7,117**	**16,695**
Other receivables					
Other receivables		19,723	29,560	19,181	32,128
Less: allowance for credit losses		(452)	(1,122)	(452)	(1,104)
Net other receivables		**19,271**	**28,438**	**18,729**	**31,024**
Related party receivables					
Related party receivables		0	0	2,254	2,292
Less: allowance for credit losses		0	0	0	0
Net related party receivables		**0**	**0**	**2,254**	**2,292**
Government funding		8,828	10,400	8,828	10,401
Total receivables		**35,220**	**56,633**	**36,928**	**60,412**
Classification					
Receivables classified as exchange transactions		25,792	46,233	27,500	50,012
Receivables classified as non-exchange transactions		9,428	10,400	9,428	10,400
Total receivables		**35,220**	**56,633**	**36,928**	**60,412**
Current portion of student fees and other receivables		35,220	56,633	36,928	60,412
Total net receivables		**35,220**	**56,633**	**36,928**	**60,412**

5. STUDENT FEES AND OTHER RECEIVABLES (CONTINUED)

2024	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 (%)	0.00%	0.00%	0.00%	0.00%	59.36%	0.00%	0.00%	0.00%	0.00%	59.36%
Gross carrying amount	5	0	0	0	17,511	0	0	0	0	17,512
Total student fee receivables lifetime expected credit loss	**0**	**0**	**0**	**0**	**10,395**	**0**	**0**	**0**	**0**	**10,395**
Other receivables										
Expected credit loss (%)	0.02%	0.33%	5.08%	10.44%	7.19%	0.02%	0.35%	5.66%	10.58%	7.26%
Gross carrying amount	6,418	7,450	582	614	4,619	6,397	7,082	522	606	4,574
Total other receivables lifetime expected credit loss	**1**	**25**	**30**	**64**	**332**	**1**	**25**	**30**	**64**	**332**
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	2,254	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	**1**	**25**	**30**	**64**	**10,727**	**1**	**25**	**30**	**64**	**10,727**

Notes to the Financial Statements

for the year ended 31 December 2024

5. STUDENT FEES AND OTHER RECEIVABLES (CONTINUED)

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 (%)	0.99%	4.78%	5.36%	13.80%	40.80%	1.16%	4.84%	5.37%	13.88%	41.22%
Gross carrying amount	2,578	4,357	1,512	2,257	13,037	1,670	4,304	1,500	2,244	12,923
Total student fee receivables lifetime expected credit loss	**26**	**208**	**81**	**311**	**5,319**	**19**	**208**	**81**	**311**	**5,327**
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	24,307	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	**26**	**209**	**109**	**364**	**6,361**	**19**	**209**	**109**	**364**	**6,350**

5. STUDENT FEES AND OTHER RECEIVABLES (CONTINUED)

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Movements in the provision for impairment of receivables					
Balance brought forward		(7,079)	(4,572)	(7,060)	(2,398)
Acquired on amalgamation		0	0	0	(523)
Additional provisions made during the year		(5,039)	(4,250)	(5,077)	(5,882)
Provisions adjustments during the year		(290)	(372)	(290)	(372)
Receivables written-off during the year		1,561	2,115	1,579	2,115
At 31 December		**(10,847)**	**(7,079)**	**(10,847)**	**(7,060)**

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.

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Building stock		6,121	4,857	6,121	4,857
Other inventory		3,805	4,897	2,684	3,839
Total inventory carrying value		**9,926**	**9,754**	**8,805**	**8,696**
Inventories recognised as an expense		54	47	54	47
Inventories write-down recognised as an expense		0	756	0	756
Less reversal of inventories write-down recognised as an expense		0	0	0	0
Total inventory expense		**54**	**803**	**54**	**803**

Notes to the Financial Statements

for the year ended 31 December 2024

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 2024	Actual 2023	Actual 2024	Actual 2023
Property held for sale		8,115	8,250	8,115	8,250
Total assets held for sale		**8,115**	**8,250**	**8,115**	**8,250**
consists of:					
Land		7,965	7,250	7,965	7,250
Buildings and improvements		150	1,000	150	1,000
Total assets held for sale		**8,115**	**8,250**	**8,115**	**8,250**
Less liabilities held for sale		0	0	0	0
Total net assets held for sale		**8,115**	**8,250**	**8,115**	**8,250**

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 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 2024	Actual 2023	Actual 2024	Actual 2023
Current asset portion					
Forward foreign exchange contracts		0	0	0	0
Interest rate swaps		0	0	0	0
Total current asset portion		**0**	**0**	**0**	**0**
Current liability portion					
Forward foreign exchange contracts		0	0	0	0
Interest rate swaps		0	0	0	0
Total current liability portion		**0**	**0**	**0**	**0**
Non-current asset portion					
Forward foreign exchange contracts		0	0	0	0
Interest rate swaps		0	392	0	0
Total non-current asset portion		**0**	**392**	**0**	**0**
Non-current liability portion					
Forward foreign exchange contracts		0	0	0	0
Interest rate swaps		105	0	0	0
Total non-current liability portion		**105**	**0**	**0**	**0**
Total derivative instruments		**105**	**392**	**0**	**0**

Notes to the Financial Statements

for the year ended 31 December 2024

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.

For staff positions disestablished prior to 31 December and where those staff have not been redeployed within the network prior to the end of their notice period, those staff would terminate by way of redundancy.

Lease Make Good

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

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.

ServiceIQ division lease make good

Office lease make good for the ServiceIQ division Auckland office in 2024 is $47,000.

Queenstown campus relocates

Southern Lakes English College's Queenstown campus has been relocated to SIT's Frankton campus as part of a cost-saving initiative. This measure was implemented to facilitate essential building improvements before the lease expires. The necessary work has been completed, and the lease was finalized in 2024.

Onerous lease

A lease is onerous if the expected benefits from using the leased asset are less than the unavoidable costs. The $9.6m provision consists of the lease for 82-92 Cuba Street and 65 Dixon Street which is currently under-utilised, and work required related to the lease for 52 Cuba Street - all in Wellington.

Other provisions

Te Pūkenga and the Group's Other provisions contains provisions relating to 'rent free' periods and fit out provisions relating to leased properties. The provision relates to lease make good for 82-92 Cuba Street and the Te Auaha lease incentive for 65 Dixon Street in Wellington.

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Current portion					
Onerous lease provision		9,638	101	9,638	101
Lease make good provision		928	1,834	928	1,834
Other provisions		1,731	3,393	1,731	2,474
Restructuring provision		743	194	743	194
Total current portion		**13,040**	**5,522**	**13,040**	**4,603**
Non current portion					
Lease make good provision		314	326	314	326
Other provisions		171	6,573	171	2,718
Total non-current portion		**485**	**6,899**	**485**	**3,044**
Total provisions		**13,525**	**12,421**	**13,525**	**7,647**

2024	Group					Parent				
All in $000s	Opening Balance 1 Jan 2024	Increase to provision	Charged against provision	Unused amounts reversed	Closing Balance 31 Dec 2024	Opening Balance 1 Jan 2024	Increase to provision	Charged against provision	Unused amounts reversed	Closing Balance 31 Dec 2024
Provision										
Onerous lease provision	101	9,638	(101)	0	9,638	101	9,638	(101)	0	9,638
Lease make good provision	2,159	1,013	(1,914)	(16)	1,242	2,159	1,013	(1,914)	(16)	1,242
Other provisions	9,967	1,785	(5,996)	(3,854)	1,902	5,193	1,785	(5,076)	0	1,902
Restructuring provision	194	743	(194)	0	743	194	743	(194)	0	743
Total Provisions	**12,421**	**13,179**	**(8,205)**	**(3,870)**	**13,525**	**7,647**	**13,179**	**(7,285)**	**(16)**	**13,525**

2023	Group					Parent					
All in $000s	Opening Balance 1 Jan 2023	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	495	(6,574)	0	101	2,427	0	0	(2,326)	0	101
Lease make good provision	645	2,124	(314)	(296)	2,159	712	207	1,850	(314)	(296)	2,159
Other provisions	11,700	3,411	(5,144)	0	9,967	7,155	2,900	1,862	(6,724)	0	5,193
Restructuring provision	130	64	0	0	194	130	0	64	0	0	194
Total Provisions	**18,655**	**6,094**	**(12,032)**	**(296)**	**12,421**	**10,424**	**3,107**	**3,776**	**(9,364)**	**(296)**	**7,647**

Notes to the Financial Statements

for the year ended 31 December 2024

10. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant, and equipment consists of eight 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.

Land and buildings (including improvements) 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.

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 after 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 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%

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. These assets have not been recognised in the financial statements and are largely made up of carvings, artwork and other items significant to Māoridom.

Manukau Campus
MIT - Stage 2 of the Manukau campus has a condition of the lessee'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 utility.

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 Institutes'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 Te Pūkenga and 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 and Group 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 follows:

Asset class	Group		Parent	
All in $000s	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Infrastructure	0	(65,900)	0	(65,899)
Buildings	0	65,900	0	65,899
Assets under construction				
Infrastructure	0	(845)	0	(845)
Buildings	0	845	0	845
Revaluation reserves				
Infrastructure	0	n/a	0	n/a
Property	0	n/a	0	n/a

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 follows:

Asset class	Group		Parent	
All in $000s	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Depreciation				
Infrastructure	0	(758)	0	(758)
Buildings	0	758	0	758
Accumulated depreciation				
Infrastructure	0	(1,546)	0	(1,546)
Buildings	0	1,546	0	1,546
Accumulated depreciation				
Infrastructure	0	(1,546)	0	(1,546)
Buildings	0	1,546	0	1,546

Notes to the Financial Statements

for the year ended 31 December 2024

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 2023/ 1st January 2024	503,706	1,707,035	94,694	213,895	134,836	24,885	3,951	44,495	2,727,497
Accumulated Depreciation - 31 December 2023/ 1st January 2024	0	(11,849)	(29,280)	(154,836)	(105,587)	(18,834)	(74)	(37,561)	(358,021)
Net Carrying Value - 1 January 2024	**503,706**	**1,695,186**	**65,414**	**59,059**	**29,249**	**6,051**	**3,877**	**6,934**	**2,369,476**
Additions	0	19,104	60	6,930	11,450	2,280	19	962	40,804
Reclassifications	(8,357)	7,059	4	2,956	(1,527)	(11)	(123)	(2)	0
Net Revaluation	(892)	2,737	0	0	0	0	0	0	1,845
Disposals	0	(3,597)	(145)	(15,639)	(25,965)	(1,513)	0	(5,874)	(52,733)
Depreciation on Disposals	0	411	110	9,047	26,506	1,018	0	2,432	39,524
Reverse Accumulated Depreciation – Reclassification	0	0	0	(1,094)	1,070	0	74	0	50
Reverse Accumulated Depreciation – Revaluation Write Back	0	207	0	0	0	0	0	0	207
Reverse Accumulated Impairment Loss - Reclassification	0	289	0	0	0	0	0	0	289
Reverse Accumulated Impairment Loss - Disposal	0	0	0	6,423	9	0	0	3,438	9,870
Reverse Accumulated Impairment Loss Expensed	0	0	0	20	0	0	0	0	20
Impairment Losses Expensed in P&L	0	(300)	0	(49)	269	0	0	0	(80)
Impairment Loss (on Revalued Asset) Expense to Revaluation Reserve	0	(14,139)	0	0	0	0	0	0	(14,139)
Depreciation	0	(61,568)	(2,455)	(14,853)	(13,424)	(1,736)	0	(1,548)	(95,584)
Cost or Fair Value	494,457	1,732,338	94,612	208,143	118,794	25,641	3,847	39,581	2,717,413
Accumulated Depreciation - 31 December 2024	0	(86,949)	(31,625)	(155,342)	(91,157)	(19,552)	0	(33,239)	(417,864)
Net Carrying Value - 31 December 2024	**494,457**	**1,645,389**	**62,987**	**52,801**	**27,637**	**6,089**	**3,847**	**6,342**	**2,299,549**

Opening Cost and Accumulated Depreciation for the Building classification have both been adjusted by $27.5m, with a nil impact on the net carrying value. This is required to correctly show the gross figures.

	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 - 31 December 2023/1st January 2024	0	12,934	233	1,212	504	34	0	19	14,935
Additions	0	24,561	75	7,163	7,777	162	5	393	40,135
Expensed	0	(2,411)	0	951	(54)	0	(1)	0	(1,515)
Capitalisations	0	(16,753)	(38)	(3,273)	(5,181)	(155)	(4)	(349)	(25,753)
Closing Value - 31 December 2024	**0**	**18,330**	**270**	**6,052**	**3,046**	**40**	**0**	**64**	**27,802**

Notes to the Financial Statements

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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 2023/1st January 2024	481,722	1,698,879	94,075	212,536	134,664	24,885	3,952	44,502	2,695,215
Accumulated Depreciation - 31 December 2023/1st January 2024	0	(12,462)	(28,662)	(153,845)	(105,438)	(18,834)	(73)	(37,568)	(356,881)
Net Carrying Value - 1 January 2024	**481,722**	**1,686,417**	**65,413**	**58,691**	**29,226**	**6,051**	**3,879**	**6,935**	**2,338,334**
Additions	0	18,984	60	6,927	11,449	2,280	18	962	40,680
Reclassifications	(1,736)	441	(1)	2,956	(1,525)	(11)	(123)	(2)	0
Net Revaluation	(2,764)	0	0	0	0	0	0	0	(2,764)
Disposals	0	(3,476)	(145)	(15,614)	(25,939)	(1,513)	0	(5,874)	(52,561)
Depreciation on Disposals	0	411	111	9,026	26,482	1,019	0	2,432	39,481
Reverse Accumulated Depreciation – Reclassification	0	0	0	(1,094)	1,070	0	73	0	49
Reverse Accumulated Depreciation – Revaluation Write Back	0	(289)	0	0	0	0	0	0	(289)
Reverse Accumulated Impairment Loss - Reclassification	0	289	0	0	0	0	0	0	289
Reverse Accumulated Impairment Loss - Disposal	0	0	0	6,423	9	0	0	3,438	9,870
Reverse Accumulated Impairment Loss Expensed	0	0	0	20	0	0	0	0	20
Impairment Losses Expensed in P&L	0	(300)	0	(48)	269	0	0	0	(80)
Impairment Loss (on Revalued Asset) Expense to Revaluation Reserve	0	(14,139)	0	0	0	0	0	0	(14,139)
Depreciation	0	(61,072)	(2,455)	(14,787)	(13,418)	(1,736)	0	(1,548)	(95,016)
Cost or Fair Value	477,222	1,714,828	93,988	206,806	118,650	25,641	3,847	39,588	2,680,570
Accumulated Depreciation	0	(87,562)	(31,005)	(154,305)	(91,027)	(19,551)	0	(33,245)	(416,695)
Net Carrying Value - 31 December 2024	**477,222**	**1,627,266**	**62,983**	**52,501**	**27,623**	**6,090**	**3,847**	**6,343**	**2,263,875**

**Opening Cost and Accumulated Depreciation for the Building classification have both been adjusted by $27.5m, with a nil impact on the net carrying value. This is required to correctly show the gross figures.*

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 - 31 December 2023/1st January 2024	0	12,723	233	1,212	504	34	0	19	14,725
Additions	0	24,561	75	6,975	7,777	162	5	393	39,947
Expensed/reclassified as operational	0	(2,200)	0	739	(54)	0	(1)	0	(1,516)
Capitalisations	0	(16,753)	(38)	(3,273)	(5,181)	(155)	(4)	(349)	(25,753)
Closing Value - 31 December 2024	**0**	**18,331**	**270**	**5,653**	**3,046**	**40**	**0**	**64**	**27,403**

Notes to the Financial Statements

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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	(505)	(1,343)	0	0	(13)	(4,740)
Reverse Impairment loss expensed	0	0	0	0	0	(21)	0	0	(21)
Impairment Loss (on Revalued Asset) Expense to Revaluation Reserve	0	88	0	0	0	21	0	0	109
Depreciation	0	(59,460)	(4,622)	(15,556)	(16,621)	(1,904)	(6)	(1,645)	(99,814)
Cost or Fair Value	503,706	1,734,579	94,694	213,895	134,836	24,885	3,951	44,495	2,755,042
Accumulated Depreciation	0	(39,393)	(29,281)	(154,836)	(105,587)	(18,834)	(74)	(37,561)	(385,566)
Net Carrying Value - 31 December 2023	**503,706**	**1,695,186**	**65,413**	**59,059**	**29,249**	**6,052**	**3,877**	**6,934**	**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**

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for the year ended 31 December 2024

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)	(398,370)
Net Carrying Value - 1 January 2023	**536,728**	**1,542,028**	**64,102**	**64,077**	**35,709**	**3,739**	**3,793**	**7,378**	**2,257,553**
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)	11,802	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* - Provision for 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	(2)	0	0	8	(2,056)
Reverse Accumulated Depreciation – Revaluation Write Back	0	107,746	0	0	0	0	0	0	107,746
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)	(99,169)
Cost or Fair Value	481,722	1,726,424	94,075	212,536	134,664	24,885	3,951	44,502	2,722,759
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**	**1,686,418**	**65,413**	**58,691**	**29,226**	**6,051**	**3,877**	**6,934**	**2,338,331**

****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.*

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	37,990	2,687	5,042	5,258	451	37	446	51,911
Expensed	0	(1,922)	0	(199)	(68)	0	0	0	(2,189)
Reclassification	0	2,263	25	(2,047)	10	0	0	0	251
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**	**0**	**19**	**14,725**

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. No items of Property, Plant and Equipment are pledged as security for liabilities at 31 December 2024.

Cyclone 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 follows:

Class of assets	2024 Impairment $	2023 Impairment $
Land	0	2,500,000
Building & Services	13,789,000	18,865,000
Total Hawke's Bay Campus	**13,789,000**	**21,365,000**

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for the year ended 31 December 2024

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 and 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 Te Pūkenga and 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 Te Pūkenga and 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, Te Pūkenga and Group was engaged in various construction and development projects that were not yet completed. These assets are classified as assets under construction. Once completed these assets will be transferred from assets under construction to the relevant intangible asset category.

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

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

	Group					
All in $000s	Computer software	Goodwill	Course development	Other intangible assets	Leased assets	Total
Intangibles						
Cost or Fair Value - 31 December 2023/1st January 2024	163,416	1,127	71,955	13,590	1,550	251,638
Accumulated Amortisation - 31 December 2023/1st January 2024	(138,566)	(1,127)	(53,515)	(6,284)	(650)	(200,141)
Net Carrying Value - 31 December 2023/1st January 2024	**24,850**	**0**	**18,441**	**7,306**	**899**	**51,497**
Additions	2,327	0	10,212	423	0	12,961
Reclassifications	57	0	421	(942)	634	170
Disposals	(23,100)	0	(24,829)	0	0	(47,928)
Amortisation on Disposals	22,936	0	24,826	0	0	47,762
Reverse Accumulated Amortisation – Reclassification	(55)	0	9	0	0	(46)
Impairment losses expensed in P & L	0	0	(452)	0	(125)	(577)
Amortisation	(10,775)	0	(9,128)	(1,851)	(436)	(22,190)
Cost or Fair Value	142,700	1,127	57,760	13,071	2,184	216,842
Accumulated Amortisation	(126,460)	(1,127)	(38,259)	(8,135)	(1,211)	(175,192)
Net Carrying Value - 31 December 2024	**16,240**	**0**	**19,501**	**4,936**	**973**	**41,650**

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for the year ended 31 December 2024

11. INTANGIBLE ASSETS (CONTINUED)

	Group					
All in $000s	Computer software	Goodwill	Course development	Other intangible assets	Lease assets	Total
Assets under construction						
Opening Value - 31 December 2023/1st January 2024	91	0	7,273	182	0	7,546
Additions	2,735	0	2,613	282	0	5,630
Expensed	(20)	0	(366)	1	0	(385)
Capitalisations	(2,082)	0	(6,143)	(42)	0	(8,267)
Closing Value - 31 December 2024	**724**	**0**	**3,377**	**423**	**0**	**4,524**

All in $000s	Parent					
	Computer software	Goodwill	Course development	Other intangible assets	Leased assets	Total
Intangibles						
Cost or Fair Value - 31 December 2023/1st January 2024	163,191	900	66,434	12,049	1,790	244,364
Accumulated Amortisation - 31 December 2023/1st January 2024	(138,376)	(900)	(48,343)	(5,898)	(890)	(194,407)
Net Carrying Value - 31 December 2023/1st January 2024	**24,815**	**0**	**18,092**	**6,151**	**899**	**49,957**
Additions	2,326	0	10,163	42	0	12,531
Reclassifications	56	0	419	(940)	634	170
Disposals	(23,029)	0	(24,430)	0	0	(47,458)
Amortisation on Disposals	22,865	0	24,427	0	0	47,292
Reverse Accumulated Amortisation – Reclassification	(55)	0	9	0	0	(46)
IImpairment Losses Expensed in P&L	0	0	(452)	0	(125)	(577)
Amortisation	(10,744)	0	(8,993)	(1,419)	(436)	(21,591)
Cost or Fair Value	142,545	900	52,587	11,151	2,424	209,607
Accumulated Amortisation	(126,309)	(900)	(33,351)	(7,316)	(1,451)	(169,327)
Net Carrying Value - 31 December 2024	**16,236**	**0**	**19,236**	**3,835**	**973**	**40,280**

All in $000s	Parent					
	Computer software	Goodwill	Course development	Other intangible assets	Lease assets	Total
Assets under construction						
Opening Value - 31 December 2023/1st January 2024	90	0	7,274	0	0	7,364
Additions	2,735	0	2,613	52	0	5,400
Expensed	(19)	0	(367)	1	0	(385)
Capitalisations	(2,082)	0	(6,143)	(42)	0	(8,267)
Closing Value - 31 December 2024	**724**	**0**	**3,377**	**11**	**0**	**4,112**

Notes to the Financial Statements

for the year ended 31 December 2024

11. INTANGIBLE ASSETS (CONTINUED)

	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	15,982
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**

All in $000s	Group					
	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)	(3,323)
Acquired on amalgamation - Provision for 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**

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for the year ended 31 December 2024

11. INTANGIBLE ASSETS (CONTINUED)

	Parent					
All in $000s	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**

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 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 Te Pūkenga and 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 share of the change in net assets of the entity after the date of acquisition.

Te Pūkenga and Group's share of the surplus or deficit is recognised in the surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the financial statements.

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

Subsidiaries

Te Pūkenga and Group's accounting policy relating to subsidiaries is in Note 1.

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:

2024	Ownership %	Balance date	Entity Classification
Subsidiary/Associate/Joint venture			
Ara Foundation	100	31 Dec 2024	Subsidiary
Otautahi Education Development Trust (OEDT)	100	31 Dec 2024	Subsidiary
Te Aho a Maui Limited (inactive)	100	31 Dec 2024	Subsidiary
Nelson Polytechnic Educational Society Incorporated	100	31 Dec 2024	Subsidiary
Open Education Resource Foundation Limited	100	31 Dec 2024	Subsidiary
OPAIC Limited Partnership	50	31 Dec 2024	Partnership
Otago Polytechnic Education Foundation Trust	100	31 Dec 2024	Subsidiary
Southern Lakes English College	100	31 Dec 2024	Subsidiary
Unitec Trust	100	31 Dec 2024	Subsidiary
Unitec Apprenticeship Training Trust	100	31 Dec 2024	Subsidiary
Soda Inc Ltd	100	31 Dec 2024	Subsidiary
Motortrain Limited (dormant)	100	31 Dec 2024	Subsidiary
Polytechnics International New Zealand (PINZ)	100	31 Dec 2024	Subsidiary
Wintec Foundation Trust	100	31 Dec 2024	Subsidiary
LearningWorks Ltd	100	31 Dec 2024	Subsidiary
WelTec Student Accommodation Limited	100	31 Dec 2024	Subsidiary
ESA Publications (NZ) Limited	100	31 Dec 2024	Subsidiary

Notes to the Financial Statements

for the year ended 31 December 2024

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

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 (inactive)	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	Partnership
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 (dormant)	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
ESA Publications (NZ) Limited	100	31 Dec 2023	Subsidiary

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

	Group		Parent	
All in $000s	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Carrying value of investments as at 31 December:				
ESA publications (NZ) Limited	0	1,881	1,880	1,881
Southern Lakes English College	0	0	0	0
Unitec Trust	0	331	0	331
OPAIC Limited Partnership	2,102	2,225	2,102	2,225
Learning Works Limited	0	0	2,398	0
Total	**2,102**	**4,437**	**6,380**	**4,437**

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 based on highest and best use and supported by available market evidence, 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 2024	2024				31 Dec 2024
All in $000s	Opening Value	Additions	Reclassifications	Revaluation	Disposals	Closing Value
Investment property						
OEDT - Ara	3,250	0	0	120	0	3,370
Total investment property	**3,250**	**0**	**0**	**120**	**0**	**3,370**

	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	(40)	0	0	3,250
Total investment property	**3,290**	**0**	(40)	0	**0**	**3,250**

The valuation of investment property for the Ōtautahi Education Development Trust (OEDT) as at 31 December 2024 was performed by an independent registered valuer, Telfer Young, on 31 December 2024. Telfer Young are experienced valuers with extensive market knowledge in the types and location of investment property owned by Te Pūkenga and Group.

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14. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

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

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Payables under exchange transactions					
Trade payables		64,441	12,494	57,123	11,181
Other payables		21,428	86,590	21,317	83,721
Total payables under exchange transactions		**85,869**	**99,084**	**78,440**	**94,902**
Payables under non-exchange transactions					
Other payables		7,859	56,842	7,859	56,795
Related party payables		40	0	1,151	950
Net GST payable/(receivable)		18,828	11,451	18,762	11,301
Total payables under non-exchange transactions		**26,727**	**68,293**	**27,772**	**69,046**
Total trade and other payables		**112,596**	**167,377**	**106,212**	**163,948**

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.

Short-term employee entitlements
Employee benefits that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render 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.

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 2024	Actual 2023	Actual 2024	Actual 2023
Employee entitlements					
Accrued pay		12,133	6,507	12,133	6,402
Annual leave		51,902	52,586	51,629	52,373
Sick leave		2,260	2,491	2,260	2,491
Long service leave		2,861	2,477	2,862	2,478
Retirement leave		2,182	2,380	2,182	2,380
Other employee entitlements		4,398	2,925	4,393	2,894
Total employee benefit liabilities		**75,736**	**69,366**	**75,459**	**69,018**
Current portion		72,391	65,840	72,114	65,492
Non-current portion		3,345	3,526	3,345	3,526
Total employee benefit liabilities		**75,736**	**69,366**	**75,459**	**69,018**

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for the year ended 31 December 2024

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 (former ITO's) operate 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.

2023 Student Fees and other receivables, and Revenue in Advance have been reclassified as described under policy "Change in student fees and other receivable accounting policy (Note 5 and 16)" in Note 1.

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Revenue received in advance					
Government grants		42,629	14,166	42,629	14,166
Students' fees		90,836	80,219	90,831	79,344
Other revenue received in advance		14,572	28,028	13,709	26,767
Total revenue received in advance		**148,037**	**122,413**	**147,169**	**120,277**
Current portion		147,266	121,599	147,169	120,277
Non-current portion		771	814	0	0
Total revenue received in advance		**148,037**	**122,413**	**147,169**	**120,277**

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 Te Pūkenga and Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Borrowings					
Current portion		7,120	6,229	6,560	5,669
Non-current portion		40,911	42,505	32,094	33,128
Total		**48,031**	**48,734**	**38,654**	**38,797**

Te Pūkenga's borrowing arrangements are as follow:

		Group						
Division/Subsidiary		OEDT	UCOL	Unitec	Otago	NorthTec	Wintec	UCOL
Lender name		ANZ Bank New Zealand Limited	Ministry of Education	Crown	Crown	EECA	EECA	EECA
Carried Amount		$9,377,746	$3,556,600	$20,460,305	$14,486,104	$24,000	$73,000	$53,000
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	EECA	EECA	EECA
Maturity date of facility		28/12/2029	On Demand	24/05/2029	30/8/2030	Not Required	Not Required	Not Required
Date of Ministry of Education consent to borrow		Not Required	Not Required	24/5/2019 (First Tranche)	1/1/2021	Not Required	Not Required	Not Required
Borrowing as at 31 December 2024		$9,377,746	$3,556,600	$23,000,000	$16,000,000	$24,000	$73,000	$53,000
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	Quarterly repayments
Maximum total debt to total debt plus equity	Actual	21.73%						
	Required	<=50%						
Minimum interest cover ratio	Actual	1.79:1						
	Required	>1.5:1						

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Te Pūkenga's borrowing arrangements are as follow:

	Parent					
Division	**UCOL**	**Unitec**	**Otago**	**NorthTec**	**Wintec**	**UCOL**
Lender name	Ministry of Education	Crown	Crown	EECA	EECA	EECA
Carried Amount	$3,556,600	$20,460,305	$14,486,104	$24,000	$73,000	$53,000
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	EECA	EECA	EECA
Maturity date of facility	On Demand	24/05/2029	30/8/2030	Not Required	Not Required	Not Required
Date of Ministry of Education consent to borrow	Not Required	24/5/2019 (First Tranche)	1/1/2021	Not Required	Not Required	Not Required
Borrowing Paydown as at 31 December 2023	$3,556,600	$23,000,000	$16,000,000	$24,000	$73,000	$53,000
Covenants	N/A	Quarterly reporting in lieu of covenants	Funds only to be used to fund Trades Building construction	Quarterly repayments	Quarterly repayments	Quarterly repayments

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 Te Pūkenga and 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.

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

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Finance leases					
Current portion		1,399	2,079	1,399	2,079
Non-current portion		34,164	35,548	34,164	35,549
Total		**35,563**	**37,627**	**35,563**	**37,628**
Finance leases as lessee **Non-cancellable minimum finance lease payments are payable as follows:**					
Not later than one year		3,679	4,570	3,679	4,570
Later than one year and not later than five years		11,992	13,156	11,992	13,156
Later than five years		49,739	54,063	49,739	54,063
Total minimum lease payments as lessee		**65,410**	**71,789**	**65,410**	**71,789**
Future finance charges		29,850	34,161	29,850	34,161
Present value of minimum lease payments		35,563	37,628	35,563	37,628
Present value of minimum lease payments payable					
Not later than one year		1,399	2,079	1,399	2,079
Later than one year and not later than five years		3,436	3,746	3,436	3,746
Later than five years		30,728	31,803	30,728	31,803
Total present value of minimum lease payments		**35,563**	**37,628**	**35,563**	**37,628**

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.

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19. OTHER FINANCIAL ASSETS AND LIABILITIES

ACCOUNTING POLICY

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

Term deposits and loans

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 other deposits

Te Pūkenga and 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

Te Pūkenga and 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 are expected to be received).

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.

19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Loss allowances for receivables are always measured at an amount equal to lifetime ECLS. Te Pūkenga and Group applies the simplified approach, as permitted by PBE IPSAS 41. For the simplified approach, Te Pūkenga and 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.

Te Pūkenga and Group considers a financial asset to be in default when:

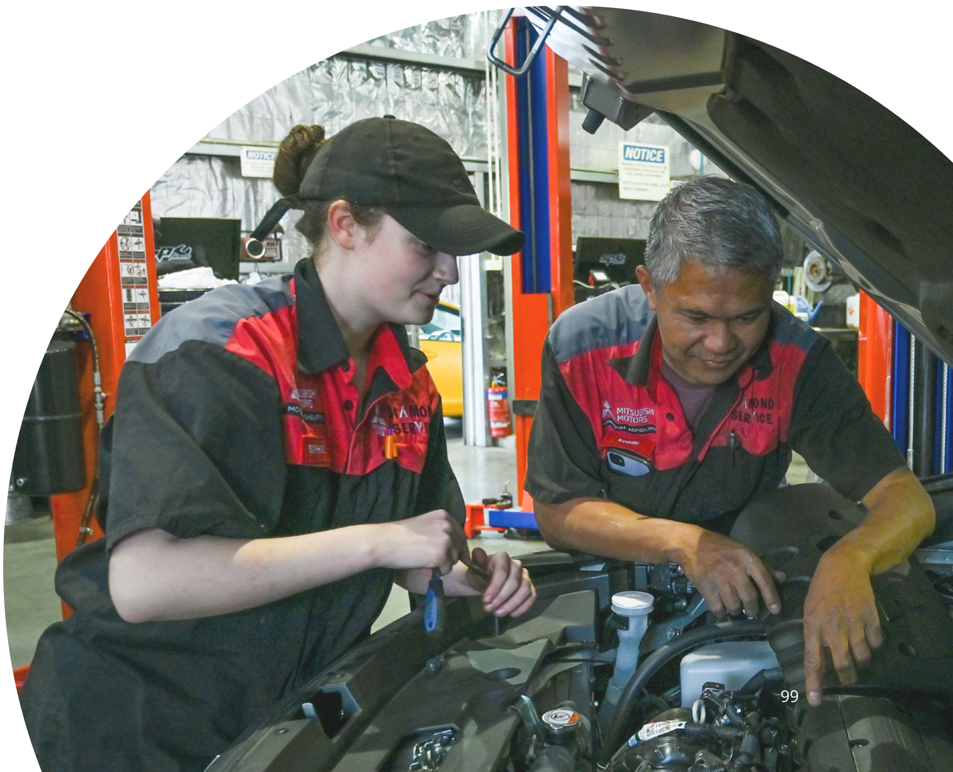
- The financial asset is more than 30 days past due, and/or
- The borrower is unlikely to pay its credit obligations to Te Pūkenga and Group in full.

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 Te Pūkenga and Group has no reasonable expectations of recovering all or some of a financial asset. For student fees, Te Pūkenga and 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, Te Pūkenga and 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.

Te Pūkenga and 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 Te Pūkenga and Group's procedures for recovery of amounts due.



Notes to the Financial Statements

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
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		381,694	338,905	376,646	330,853
Term deposits with maturities greater than 3 months at acquisition		172,124	138,381	164,042	133,573
Student fees and other receivables		35,220	56,633	36,928	60,412
Total financial assets measured at amortised cost		**589,038**	**533,919**	**577,616**	**524,838**
Financial assets mandatorily measured at fair value through surplus or deficit					
Managed investment portfolio		21,898	19,316	14,104	12,758
Derivative financial instruments		0	392	0	0
Total financial assets measured at fair value through surplus or deficit		**21,898**	**19,708**	14,104	**12,758**
Total financial assets		**610,936**	**553,627**	**591,720**	**537,596**
Financial liabilities					
Financial liabilities measured at amortised cost					
Creditors and other payables		93,768	155,926	86,299	152,647
Finance leases		35,563	37,628	35,563	37,628
Related Party Term Deposit Payables		0	0	1,151	0
Borrowings		48,031	48,734	38,654	38,797
Total financial liabilities measured at amortised cost		**177,362**	**242,288**	**161,667**	**229,072**
Financial liabilities measured at fair value through surplus or deficit					
Derivative financial instruments		105	0	0	0
Total financial liabilities measured at fair value through surplus or deficit		**105**	**0**	**0**	**0**
Total financial liabilities		**177,467**	**242,288**	**161,667**	**229,072**

Financial instruments risks

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

Te Pūkenga and 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.

2024	Group						
All in $000s	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years
Trade and other payables	93,768	93,768	93,768	0	0	0	0
Borrowings	48,031	48,031	7,120	0	3,560	3,560	33,791
Finance leases	35,563	44,895	1,168	1,181	1,879	1,646	39,021
Derivative financial instruments	105	105	105	0	0	0	0
Total Financial Liabilities at amortised cost	**177,467**	**186,799**	**102,161**	**1,181**	**5,439**	**5,206**	**72,812**

2024	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	86,299	86,299	86,299	0	0	0	0
Related Party Term Deposit Payables	1,151	1,151	1,151	0	0	0	0
Borrowings	38,654	38,654	6,560	0	3,000	3,000	26,094
Finance leases	35,563	44,895	1,168	1,181	1,879	1,646	39,021
Total Financial Liabilities at amortised cost	**161,667**	**170,999**	**95,178**	**1,181**	**4,879**	**4,646**	**65,115**

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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 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 at amortised cost	**229,072**	**263,233**	**154,160**	**7,041**	**19,153**	**4,743**	**78,136**

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 and Group 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 Group is exposed to currency risk. Te Pūkenga and 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 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.

2024	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	381,694	0	0	381,694	376,646	0	0	376,646
Term Deposits greater than 3 months	164,155	7,969	0	172,124	163,867	175	0	164,042
Managed investment portfolio	21,898	0	0	21,898	14,104	0	0	14,104
Total	**567,747**	**7,969**	**0**	**575,716**	**554,617**	**175**	**0**	**554,792**
Weighted average effective interest rate				6.00%				5.96%

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%				5.07%

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19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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 Group, causing it to incur a loss. In the normal course of business, Te Pūkenga and 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 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 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 Group have experienced no defaults of interest or principal payments for term deposits.

Te Pūkenga and 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 2024	Actual 2023	Actual 2024	Actual 2023
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-		381,694	436,966	376,646	424,106
A		0	40,320	0	40,320
Counterparties without credit ratings					
Cash and cash equivalents and term deposits:					
Existing counterparty with no defaults in the past		0	0	0	0
Existing counterparty with defaults in the past		0	0	0	0
Investments:					
Existing counterparty with no defaults in the past		21,898	19,316	14,104	12,758
Existing counterparty with defaults in the past		0	0	0	0
Total cash and cash equivalents, term deposits and investments		**403,592**	**496,602**	**390,750**	**477,184**
Debtors and other receivables					
Existing counterparty with no defaults in the past		35,220	56,633	36,928	60,412
Existing counterparty with defaults in the past		0	735	0	735
Total debtors and other receivables		**35,220**	**57,368**	**36,928**	**61,147**

**As at 31 December 2024, Kiwibank's credit ratings from Moody's and Fitch are A1 and AA, respectively. Kiwibank's credit rating is currently not available on Standard and Poors.*

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 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 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.

Te Pūkenga holds a borrowing facility of $45M with Westpac Banking Corporation (Westpac). This was entered for the period 1 January 2024 to 31 December 2025. As at 31 December 2024, there has been no drawdown on the Westpac facility.

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 2024								
Financial assets								
Cash and cash equivalents	3,817	0	(3,817)	0	3,767	0	(3,767)	0
Term deposits with maturities greater than 3 months at acquisition	1,721	0	(1,721)	0	1,640	0	(1,640)	0
Managed investment portfolio	219	0	(219)	0	141	0	(141)	0
Total sensitivity to interest rate risk - financial assets	**5,757**	**0**	**(5,757)**	**0**	**5,548**	**0**	**(5,548)**	**0**
Financial liabilities								
Derivative financial instruments	(1)	0	1	0	0	0	0	0
Finance lease	(356)	0	356	0	(356)	0	356	0
Borrowings	(480)	0	480	0	(386)	0	386	0
Total sensitivity to interest rate risk - financial liabilities	**(837)**	**0**	**837**	**0**	**(742)**	**0**	**742**	**0**

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for the year ended 31 December 2024

19. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	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	338	0
Total sensitivity to interest rate risk - financial liabilities	**(487)**	**0**	**487**	**0**	**(388)**	**0**	**388**	**0**

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

Fair value estimation and fair value hierarchy

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

Fair value hierarchy disclosures

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

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

All in $000s	Group			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
Fair value of financial instruments 31 December 2024 Financial assets				
Term deposits with maturities greater than 3 months at acquisition	172,124	172,124	0	0
Managed investment portfolio	21,898	21,898	0	0
Total Fair Value of Financial Instruments - financial assets	**194,022**	**194,022**	**0**	**0**
Financial liabilities				
Derivative financial instruments	105	105	0	0
Borrowings	48,031	48,031	0	0
Total Fair Value of Financial Instruments - financial liabilities	**48,136**	**48,136**	**0**	**0**

All in $000s	Parent			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
Fair value of financial instruments 31 December 2024 Financial assets				
Term deposits with maturities greater than 3 months at acquisition	164,042	164,042	0	0
Managed investment portfolio	14,104	14,104	0	0
Total Fair Value of Financial Instruments - financial assets	**178,146**	**178,146**	**0**	**0**
Financial liabilities				
Derivative financial instruments	0	0	0	0
Borrowings	38,654	38,654	0	0
Total Fair Value of Financial Instruments - financial liabilities	**38,654**	**38,654**	**0**	**0**

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for the year ended 31 December 2024

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	Secured loans	Finance leases	Interest rate swaps
Reconciliation of movements in liabilities arising from financing activities				
Balance at 1 January 2024	86,754	48,734	37,628	392
Net cash flows	(4,788)	(2,723)	(2,065)	0
Fair value	1,523	2,020	0	(497)
Balance at 31 December 2024	**83,489**	**48,031**	**35,563**	**(105)**

All in $000s	Parent			
	Total	Secured loans	Finance Leases	Interest Rate Swaps
Balance at 1 January 2024	76,817	38,797	37,628	392
Net cashflows	(4,620)	(2,163)	(2,065)	(392)
Fair value	2,020	2,020	0	0
Balance at 31 December 2024	**74,217**	**38,654**	**35,563**	**0**

All in $000s	Group			
	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**

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 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**

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for the year ended 31 December 2024

20. CAPITAL MANAGEMENT

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

21. EQUITY

ACCOUNTING POLICY

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

- General funds
- Property revaluation reserves
- Restricted reserves
- Trusts and bequests reserve.

General funds

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

Property revaluation reserves

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

Restricted reserves

These reserves are subjected to restrictions that prevent Te Pūkenga 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 under heading cash balances with use restrictions

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.

21. EQUITY (CONTINUED)

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
General funds					
Balance as at 1 January		1,235,282	1,258,484	1,217,398	1,161,028
Other adjustments		(4,278)	0	0	0
Acquired on amalgamation		0	0	0	83,776
Transfer from revaluation reserves on sale of assets held for sale		0	7,763	0	7,778
Surplus/(deficit) for the year before other comprehensive revenue and expenditure		16,658	(37,864)	10,272	(42,083)
Less surplus/deficit attributable to other equity classes/reserves		6,055	6,899	5,539	6,899
Capital contributions from the Crown		15,000	0	15,000	0
Balance as at 31 December		**1,268,717**	**1,235,282**	**1,248,209**	**1,217,398**
Property revaluation reserves					
Balance as at 1 January		1,221,598	1,153,494	1,208,737	1,142,923
Opening balance adjustment		0	(1,777)	0	(1,777)
Transfer to equity on sale of assets held for sale		0	(7,777)	0	(7,777)
Property disposal		0	4,200	0	4,200
Land net revaluations gain/(loss)		(2,764)	(41,729)	(2,764)	(48,468)
Buildings net revaluations gain/(loss)		(10,173)	115,187	(15,278)	119,634
Total net revaluations gain/(loss)		**(12,937)**	**73,458**	**(18,042)**	**71,166**
Balance as at 31 December		**1,208,661**	**1,221,598**	**1,190,695**	**1,208,737**
Revaluation Reserves Consist of:					
Land		335,237	337,705	321,874	323,540
Buildings		873,424	883,893	868,821	885,197
Total Property Revaluation Reserves		**1,208,661**	**1,221,598**	**1,190,695**	**1,208,737**

Notes to the Financial Statements

for the year ended 31 December 2024

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Trusts and bequests					
Opening balance		4,086	3,864	2,440	2,231
Interest received		112	262	43	198
Recieved endowment		146	0	0	0
Less grants awarded		**(38)**	**(40)**	**(39)**	**11**
Total trust funds		**4,306**	**4,086**	**2,444**	**2,440**
Represented by:					
Ara Institute of Canterbury		944	954	944	954
Nelson Marlborough Institute of Technology		0	950	0	0
Waikato Institute of Technology		0	653	0	653
Others		3,362	1,529	1,500	833
Total trust funds		**4,306**	**4,086**	**2,444**	**2,440**
Restricted reserves					
Opening balance		129,897	137,020	129,365	104,352
Acquired on amalgamation		0	0	0	32,136
Transfers to restricted reserves		1,131	7	1,131	7
Distributions from restricted reserves		(14,121)	(7,130)	(13,589)	(7,130)
Total restricted reserves		**116,907**	**129,897**	**116,907**	**129,365**

21. EQUITY (CONTINUED)

Restricted reserves represented by:

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Cash balances with use restrictions					
Ring fenced cash reserved - Ara Institute of Canterbury		17,834	4,419	17,834	4,419
Ring fenced cash reserved - Eastern Institute of Technology		6,042	5,480	6,042	5,480
Ring fenced cash reserved - Nelson Marlborough Institute of Technology		5,633	4,135	5,633	4,135
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		5,579	7,793	5,579	7,793
Ring fenced cash reserved - BCITO		1,557	5,854	1,557	5,322
Ring fenced cash reserved - Connexis		795	277	795	277
Ring fenced cash reserved - Competenz		11,961	12,758	11,961	12,758
Ring fenced cash reserved - MITO		623	1,469	623	1,469
Ring fenced cash reserved - Service IQ		2,357	2,670	2,357	2,670
Ring fenced cash reserved - Careerforce		750	750	750	750
Ring fenced cash reserved - HITO		1,082	1,010	1,082	1,010
Ring fenced cash reserved - Primary ITO		5,951	5,951	5,951	5,951
Total cash balances with use restrictions at 31 December		**63,409**	**55,811**	**63,409**	**55,279**
Other financial assets with use restrictions					
Ring fenced cash reserved - Ara Institute of Canterbury		30,210	48,621	30,210	48,621
Ring fenced cash reserved - Eastern Institute of Technology		8,631	9,193	8,631	9,193
Ring fenced cash reserved - Nelson Marlborough Institute of Technology		2,363	5,250	2,363	5,250
Ring fenced cash reserved - Southern Institute of Technology		10,026	7,805	10,026	7,805
Ring fenced cash reserved - Work Based Learning Limited HITO		0	167	0	167
Ring fenced cash reserved - BCITO		0	782	0	782
Total other Financial Assets		**51,230**	**71,818**	**51,230**	**71,818**
Hardship- NorthTec		23	23	23	23
Polytechnic equity - Open Polytechnic		2,245	2,245	2,245	2,245
Total Restricted Reserves		**116,907**	**129,897**	**116,907**	**129,365**
Total equity		**2,598,591**	**2,590,863**	**2,558,255**	**2,557,940**

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22. MAJOR BUDGET VARIATIONS

	Group			Parent		
	Actual 2024	Budget 2024	Act vs Bud Variance	Actual 2024	Budget 2024	Act vs Bud Variance
All in $000s						
Statement of comprehensive revenue and expense						
Surplus/(deficit)	16,658	(93,403)	110,061	10,272	(93,403)	103,675
Revenue variances						
Government funding	891,340	879,422	11,918	891,340	879,422	11,918
Student fees and departmental revenue	399,361	399,812	(451)	398,602	399,812	(1,210)
Other revenue	149,407	135,007	14,400	139,904	135,007	4,897
Expenditure variances						
Employee benefit expenses	856,586	895,565	(38,979)	853,093	895,565	(42,472)
Depreciation and amortisation	117,774	132,613	(14,839)	116,607	132,613	(16,006)
Finance Costs	4,819	3,766	1,053	4,200	3,766	434
Administration and Other Expenses	444,288	475,700	(31,412)	445,691	475,700	(30,009)
Share of Associate / Joint Venture	17	0	17	17	0	17
Other comprehensive revenue and expense						
Other comprehensive revenue and expense	(12,937)	0	(12,937)	(18,042)	0	(18,042)
Total comprehensive revenue and expense	**3,721**	**(93,403)**	**97,124**	**(7,770)**	**(93,403)**	**85,633**

Government funding favourable variance reflects former ITP business divisions domestic enrolments exceeding 2024 Budgeted levels within DQ Level 3-7 funded programmes. This favourable variance was partially offset by the unfavourable variance within WBL business divisions for the same fund.

Other revenue for the Group is favourable to budget by $14m, reflecting unbudgeted non teaching income of $6m and higher unbudgeted subsidiary income.

Employee expenses are favourable within the Parent ($42m) and Group ($39m) reflecting the focus in 2024 to reduce the size of National Office and returning capability to business divisions and progress made across business divisions to align full time equivalent personnel to projected future revenue streams.

Depreciation and amortisation finished 2024 favourable to budget across the Parent ($16m) and Group ($15m) reflecting less capital expenditure progressing during the year. Additionally the budget assumed the capital expenditure would be spent at the beginning of the year, however actual spend has progressed throughout the year, with some projects not yet completed (and therefore classified as Work in Progress, and not depreciated). This is outlined in more detail within note 23.

Administration and other expenses favourable variance for both the Parent and Group reflects less transformation costs being incurred as planned projects did not progress following receipt of the Minister for Tertiary Education and Skills December 2023 revised Letter of Expectations.

Other comprehensive revenue / (expense) unfavourable Parent variance reflects updated land and building revaluations for properties overseen by the EIT and Toi Ohomai business divisions, specifically further impairment on those buildings were identified. The EIT impairment is supported by an evaluation of further work required and Toi Ohomai supported by a recent valuation. Te Pūkenga. variance is partially offset in Te Pūkenga and the group by a revaluation gain within the Otautahi Education Development Trust associate entity.

22. MAJOR BUDGET VARIATIONS (CONTINUED)

		Group			Parent		
	Note	Actual 2024	Budget 2024	Actual versus Budget Variance	Actual 2024	Budget 2024	Actual versus Budget Variance
All in $000s							
Statement of financial position							
Current assets		645,218	604,239	40,979	632,612	604,239	28,373
Non-current assets		2,386,966	2,558,778	(171,812)	2,342,225	2,558,778	(216,553)
Current liabilities		353,812	582,040	(228,228)	346,494	582,040	(235,546)
Non-current liabilities		79,781	148,074	(68,293)	70,088	148,074	(77,986)
Equity		2,598,591	2,432,903	165,688	2,558,255	2,432,903	125,352

Current assets favourable reflects favourable cash and cash equivalent balances in comparison to budget as a result of a better performance (compared to expectations) and reduced capital expenditure. These variances are discussed in more detail below. Student fees and other receivables are unfavourable to budget reflecting the revision of accounting treatment of future dated invoices.

Non-current assets are unfavourable to budget principally reflecting lower than planned capital expenditure within the Parent as transformation projects were not progressed, and major property projects encountered timing variances. Additionally, there has been a reclassification between non-current assets and current assets whereby term deposits at the end of the year are short term (compared to the previous year where the term deposit maturities were greater than 12 months).

Liabilities (both current and non-current) are favourable to budget reflecting the revised accounting treatment of future dated invoices, and less borrowings being required following the cancellation of transformation projects.

Equity finished 2024 favourable to budget as a result of the favourable result (compared to budget) achieved, and the impact of the favourable financial position variances noted above.

		Group			Parent		
	Note	Actual 2024	Budget 2024	Actual versus Budget Variance	Actual 2024	Budget 2024	Actual versus Budget Variance
All in $000s							
Cash flow from operating activities		135,957	51,055	84,902	131,850	51,055	80,795
Cash flow used in investing activities		(103,631)	(180,899)	77,268	(96,829)	(180,899)	84,070
Cash flows from financing activities		10,463	86,328	(75,865)	10,772	86,328	(75,556)
Net (decrease)/increase in cash and cash equivalents		42,789	(43,516)	86,305	45,793	(43,516)	89,309
Cash and cash equivalents at beginning of the year		338,905	268,087	70,818	330,853	268,087	62,766
Total cash and cash equivalents at end of the year		**381,694**	**224,571**	**157,123**	**376,646**	**224,571**	**152,075**

Operating activities favourable variances for the Group and Parent reflect cost containment decisions made by Te Pūkenga following receipt of the Minister for Tertiary Education and Skills December 2023 revised Letter of Expectations.

Investing activities favourable variance reflects the removal of transformation projects from the 2024 workplan, and timing variances for major property projects.

External borrowings were not required during 2024 at the level budgeted as reflected within the unfavourable financing activities variance.

The net increase in cash and cash equivalents (+$86m Group, +$89m Parent) combined with a higher opening cash and cash equivalent balance (+$71m Group, +$63m Parent) has meant Te Pūkenga cash and cash equivalents are favourable to budget.

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23. CAPITAL EXPENDITURE PROJECT PERFORMANCE TO BUDGET

		Group 2024			Parent 2024		
All in $000s	Note	Actual	Budget	Variance	Actual	Budget	Variance
Annual allocations							
Facilities (Medium and minor projects within 2024 Statement of Performance Expectations)		12,849	20,159	7,310	12,849	20,159	7,310
Furniture and Equipment		10,817	10,737	(80)	10,817	10,737	(80)
Information Technology		14,045	24,000	9,955	14,045	24,000	9,955
Motor Vehicles		2,286	2,295	9	2,286	2,295	9
Library and Heritage Collection		1,025	1,712	687	1,025	1,712	687
Academic departments & Other		10,421	15,035	4,614	10,421	15,035	4,614
Total annual allocation		**51,443**	**73,938**	**22,495**	**51,443**	**73,938**	**22,495**
Major projects							
Otago Trades Training Centre		0	0	0	0	0	0
Unitec building 108		247	4,000	3,753	247	4,000	3,753
WITT A & B Block		462	6,200	5,738	462	6,200	5,738
ARA and SIT projects		0	5,250	5,250	0	5,250	5,250
HPB Programme		4,506	26,273	21,767	4,506	26,273	21,767
EIT remediation and betterment		8,087	50,000	41,913	8,087	50,000	41,913
Other projects		641	21,000	20,359	641	21,000	20,359
Digital projects		0	6,800	6,800	0	6,800	6,800
Total Major Projects		**13,943**	**119,523**	**105,580**	**13,943**	**119,523**	**105,580**
Total capital Expenditure		**65,386**	**193,461**	**128,075**	**65,386**	**193,461**	**128,075**

Information Technology annual allocation was not fully utilised in 2024 with activities divested from national office back to the divisions through the year.

HPB Programme was re-evaluated to ensure alignment with the Minister's expectations. This resulted in the timing of some projects being amended, generating the favourable variance.

EIT remediation and betterment project is underway with several buildings now completed. Final completion of the project has been amended, now scheduled for the first quarter of 2026. The budget allowance was always intended to be a multi-year provision.

Other major projects were reviewed with the majority placed on hold following receipt of the December 2023 Letter of Expectations.

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 2024	Actual 2023	Actual 2024	Actual 2023
Leases as lessee					
Non-cancellable operating lease rentals are payable as follows:					
Not later than one year		26,170	31,101	26,121	28,530
Later than one year and not later than five years		65,506	77,044	65,506	66,331
Later than five years		131,888	143,167	131,888	142,788
Total leases as lessee		**223,564**	**251,312**	**223,515**	**237,649**

All in $000s					
Leases as lessor					
Te Pūkenga leases its property purchased for strategic purpose pending future use by Te Pūkenga under operating leases. Future minimum lease payments under non-cancellable leases are as follows:					
The Future minimum lease payments under non-cancellable leases are as follows:					
Not later than one year		4,240	4,525	4,240	4,525
Later than one year and not later than five years		3,992	5,845	3,992	5,845
Later than five years		701	749	701	749
Total leases as lessor		**8,933**	**11,119**	**8,933**	**11,119**

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

Manukau Institute of Technology (MIT) holds 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 2024, 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 2024.

MIT has a "peppercorn" lease with Auckland Council for the use of land under which the MITM Campus is sited. The term of the lease is 99 years, effective from 18th September 2018 with an annual lease cost of $1 plus GST per annum (a fair value interest of $10m).

Notes to the Financial Statements

for the year ended 31 December 2024

25. COMMITMENTS AND CONTINGENCIES

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 million
- Material damage — capped at $200 million
- Additional costs of working — capped at $20 million

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

- Progress payment $15.5 million.

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.

Te Pūkenga has the following commitments at balance date:

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Capital commitments					
Capital commitments denote approved capital expenditure contracted for at year-end not yet incurred.					
Approved and committed					
Taradale campus - reinstatement commitment		3,308	2,143	3,308	2,143
Buildings		3,934	3,704	3,934	3,704
Other plant, property and equipment		1,485	2,233	1,485	2,233
Lease commitments		0	974	0	974
Intangible assets		2	6	2	6
Total capital commitments		**8,729**	**9,060**	**8,729**	**9,060**

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

		Group		Parent	
All in $000s	Note	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Contingent Assets					
Taradale campus - Cyclone Gabrielle further insurance remediation expected		19,816	13,549	19,816	13,549
Total contingent assets		**19,816**	**13,549**	**19,816**	**13,549**
Contingent liabilities					
UCOL - compassionate grants outstanding		55	45	55	45
Otago Polytechnic - enforceable undertaking		0	1,687	0	1,687
W&W_WSAL - Signing over 222 Willis Street lease to Victoria University		6,715	0	0	0
Total contingent liabilities		**6,770**	**1,732**	**55**	**1,732**

Te Pūkenga is a significant employer and as such are 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 2024 are $2.0m.

Council of Te Pūkenga have issued OPAIC with a letter of comfort outlining Te Pūkenga will provide any necessary financial support in respect of the lease as well as financial support to the directors appointed by Te Pūkenga sufficient to meet their legal obligations, liabilities and costs incurred in their capacity as Directors of OPAIC.

Council of Te Pūkenga have also issued SODA Inc with a letter of comfort outlining SODA Inc will receive the necessary financial support to continue to deliver on their external contracts.

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.

The Tertiary Education Union (TEU) filed a case with the Employment Relations Authority (ERA) in relation to the removal of free parking on Unitec's Mt Albert campus, and the removal of free life and income protection insurance for Unitec staff. The Authority found in Unitec's favour on both cases, however the TEU have since appealed that decision. The case was finalised in April 2025 however a judgement is still pending.

Notes to the Financial Statements

for the year ended 31 December 2024

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 2024	Actual 2023	Actual 2024	Actual 2023
Key management personnel related party transactions					
Key management personnel compensation					
Council board members					
Full-time equivalent members		10.9	11	8.5	11
Remuneration		595	761	451	618
Executive Leadership Team and Chief Executive					
Full-time equivalent members		5.1	9	5.1	9
Remuneration		3,393	4,814	3,393	4,814
Total full-time equivalent members		**16**	**20**	**13.6**	**20**
Total key management personnel remuneration		**3,988**	**5,575**	**3,844**	**5,432**

27. 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 disestablishment 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 Equivalents	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)**

Notes to the Financial Statements

for the year ended 31 December 2024

28. 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.

29. EVENTS AFTER BALANCE DATE

No material events have occurred after balance date, noting future uncertainty of Te Pūkenga operations as disclosed in note 30.

30. FUTURE UNCERTAINTY OF TE PEKŪNGA

In December 2024, the Minister for Tertiary Education and Skills, Hon Penny Simmonds outlined decisions the Government had made to change the vocational and education and training system in New Zealand to return decision making to regions and enable more industry input into work-based learning. The new system disestablishes Te Pūkenga (and Workforce Development Councils) by the end of 2026 and establishes a stand-alone network of Institutes of Technology and Polytechnics (ITP) and Industry Skills Boards (ISB) progressively from 1 January 2026. Consultation on the future delivery model for work-based learning was to occur in early 2025.

In April 2025, following consultation, Minister Simmonds announced that the Government will introduce a new, independent, and industry-led model for work-based learning. From 1 January 2026 Te Pūkenga work-based learning divisions will transition into newly created ISBs for up to two years while new providers are established to deliver work-based learning. The assets of Te Pūkenga work-based learning divisions will either be retained by Te Pūkenga or distributed to the ITPs and ISBs in consultation with the Government. Any remaining cash surpluses would be retained by Te Pūkenga, therefore Te Pūkenga and the Group will be able to discharge its liabilities until the date of disestablishment.

A decision on the number and timing of establishing the new independent ITP entities is expected to be released in June 2025. Legislation giving effect to any change including the disestablishment of Te Pūkenga was tabled in Parliament in May 2025. There continues to be uncertainty around the dates of establishing the ITP entities and transitioning of Te Pūkenga work-based learning divisions at the time of the annual report being approved by Council.

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

The audited financial statements and performance report were completed on 30 May 2025. 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 working through key estimates and judgements with Audit New Zealand, which delayed the finalisation of the Te Pūkenga annual report for audit clearance.

Ētahi pārongo atu
Other Information

Notes to the Financial Statements

for the year ended 31 December 2024

CHILDCARE SUMMARY

	Group	
All in $000s	Actual 2024	Actual 2023
1 January to 31 December 2024		
Revenue		
Operating Grants – Ministry of Education (MOE)	5,343	5,369
Equity Funding	41	53
Fees – Staff, Students and Public	1,435	1,620
Family Assistance (WINZ)	404	405
Other	12	63
Total Revenue	**7,235**	**7,510**
Expenses		
Personnel	6,859	6,945
Other	704	617
Total Expenses	**7,563**	**7,562**
Net Deficit	**(328)**	**(52)**
Statistics		
MOE hours funded for under 2's	75,557	128,741
MOE hours funded for over 2's	93,009	116,591
MOE 20 hours ECE	154,830	212,608
MOE plus 10 hours ECE	38,897	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.

COMPULSORY STUDENT SERVICES FEE

		Group			
All in $000s		2024		2023	
1 January to 31 December	Note	Actual Revenue	Actual Expenses	Actual Revenue	Actual Expenses
Revenue					
Compulsory Student Levy Revenue		11,703		11,309	
Expenditure					
Advocacy and advice			2,149		2,301
Career advice and guidance			3,505		4,814
Employment information			359		309
Counselling and pastoral care			4,710		4,842
Financial support and advice			836		1,071
Health Services			4,048		4,464
Media			299		363
Sports, Recreation and Culture activities			1,411		2,184
Career information, advice and guidance			(215)		3,068
Childcare Services			0		842
Clubs and Societies			0		77
Total Expenditure		**11,703**	**17,102**	**11,309**	**24,333**
Net Deficit			**(5,399)**		**(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.

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 2024. Values are to the nearest dollar:

	Group	Parent
Council members:		
Kim Ngārimu	11,164	11,164
Jordan Gush	49,120	49,120
Tagaloatele Professor Peggy Fairbairn-Dunlop	44,655	44,655
Heath Sawyer	49,120	49,120
Dr Teorongonui (Josie) Keelan	49,120	49,120
Samuel Huggard	49,120	49,120
Susan McCormack	90,123	90,123
William (Bill) Moran	48,004	48,004
Jeremy Morley	49,189	49,189
John Brockies	11,164	11,164
	450,779	**450,779**
Group Board members:		
Dr Andrew West	25,000	0
Caroline Seelig	5,000	0
Craig McFarlane	30,000	0
Geoffrey Day	20,000	0
John Wilkinson	15,000	0
Kim Hill	15,000	0
Paul Holloway	20,000	0
Murray Bain	5,000	0
Vaughan Renner	9,000	0
Total Council and Board members	**594,779**	**450,779**

As required by the Crown Entities Act 2004, Te Pūkenga and Group disclose the following:

Te Pūkenga's liability insurance provides indemnity cover for Te Pūkenga Directors and officers including those of the subsidiaries carried out in performance of their duties.

Council of Te Pūkenga have issued OPAIC with a letter of comfort outlining Te Pūkenga will provide any necessary financial support in respect of its lease as well as financial support to the directors appointed by Te Pūkenga sufficient to meet their legal obligations, liabilities and costs incurred in their capacity as Directors of OPAIC.

Council of Te Pūkenga have also issued SODA Inc with a letter of comfort outlining SODA Inc will receive the necessary financial support to continue to deliver on their external contracts.

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 2024 to 31 December 2024 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	0	0
Parent	353	10,765,446
Total	**353**	**10,765,446**

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	600
$110,000.00 - $119,999.99	363
$120,000.00 - $129,999.99	155
$130,000.00 - $139,999.99	120
$140,000.00 - $149,999.99	79
$150,000.00 - $159,999.99	56
$160,000.00 - $169,999.99	54
$170,000.00 - $179,999.99	30
$180,000.00 - $189,999.99	23
$190,000.00 - $199,999.99	15
$200,000.00 - $209,999.99	21
$210,000.00 - $219,999.99	8
$220,000.00 - $229,999.99	13
$230,000.00 - $239,999.99	12
$240,000.00 - $249,999.99	3
$250,000.00 - $259,999.99	6
$260,000.00 - $269,999.99	4
$270,000.00 - $279,999.99	3
$280,000.00 - $289,999.99	0
$290,000.00 - $299,999.99	0
$300,000.00 - $309,999.99	2
$310,000.00 - $319,999.99	4
$320,000.00 - $329,999.99	6
$330,000.00 - $339,999.99	1
$340,000.00 - $349,999.99	0
$350,000.00 - $359,999.99	0
$360,000.00 - $369,999.99	1
$370,000.00 - $379,999.99	1
$380,000.00 - $389,999.99	3
$390,000.00 - $399,999.99	0
$400,000.00 - $409,999.99	0
$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	1
$480,000.00 - $489,999.99	0
$490,000.00 - $499,999.99	0
Total	**1,584**

Te Pūkenga