

TE  
**PŪRONGO**  
ANNUAL REPORT  
**2012**



Te Wānanga o Aotearoa



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Te Wānanga o Aotearoa

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# Rārangi upoko

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# He maioha

Kia herea te rangi ki te whenua, te whenua ki te rangi  
E te Wāhi Ngaro tukua mai rā ō tauwhirotaunga ki runga ki ngā  
iwi e īnoī atu nei

E whakawhetai atu nei hoki mōu e manaaki mai ana i a  
mātou katoa

Tae noa ki a Kīngi Tūheitia e noho mai ana i te ahurewa tapu i  
whakaritea ai e ngā mana nui

Paimārire

Ko te mapu roa mōteatea mō koutou e te iwi nui tonu kua ngaro  
e kore e mutu

Tāoki mai rā i ngā one whakanewha o tawhiti nui

Ko te tai o Wai-whakaoti atu ki a rātou

Ko te tai o Wai-whakaora ki a tātou

Tihē mauri ora!

E ngā maunga tūparengahua, e ngā wai whēteketete o ngā  
kāwai nui, o ngā kāwai roa, tēnā rā koutou katoa.

Nei anō ia Te Pūrongo e puta nei ki te ao o te tūmatanui, ki  
te ao o te tūnekeneke kia noho mai rā ngā whakariterite  
me ngā whakahaere a Te Wānanga o Aotearoa i te awatea  
o te māramatanga, o te mōhio. Ahakoa ia ngā tini huarahi e  
whakatakotongia ana i roto i ngā tini āhuatanga o tēnā mahi, o  
tēnā mahi, kotahi tonu te aronga: ko te oranga o ngāi tauira. Mā  
konā e whai hua ai te katoa, ā, ko tātou rā hoki. Nō konei a mihi  
ka rere, tēnā koutou katoa.

# Ngā mātāpono

Guiding principles

## Ko Te Whakakitenga

### The vision

Ki te whakawhiwhi i ngā mea angitū, ā,  
i ngā akoranga katoa tino teitei mō ngā  
Māori me ngā iwi o Aotearoa me te ao.

Te Wānanga o Aotearoa will provide  
holistic education opportunities of the  
highest quality for Māori, peoples of  
Aotearoa New Zealand and the world.

## Ko Te Uaratanga

### The mission statement

Ko te whakarite mātauranga e hāngai ana  
ki ngā wawata o tēnei whakatupuranga,  
ki te whakaū hoki i ngā moemoeā o ngā  
whakatupuranga o te ao tūroa, ki te  
whakatikatika kia mārama ai ki te hā o te  
ao tawhito

Ki te whakatō ki roto i te hinengaro  
tangata te mōhiotanga o ngā taonga tuku  
iho, tō tātou reo, tō tātou Māoritanga e  
pai ai tā rātou torotoro i ngā iwi o te ao i  
runga i te māia me te manawanui

Ki te whakamana i te pūmanawa moe ki te  
ako hei taumata e hīkoi whakamua i roto i  
te ao hou

Ki te whakatakoto takoha e whai hua ai

Kia manawapā anō

Kia mutu tonu, he kāinga pai tēnei ao

To provide education that best fits the  
aspirations of this generation, enhances  
the dreams of future generations and  
prepares for understanding the essence of  
past generations

To equip people with knowledge of our  
heritage, our language, our culture so  
they can handle the world at large with  
confidence and self-determination

To empower ones potential for learning as  
a base for progress in the modern world

To make contributions of consequence

To care

To make our world a better place

...ko te  
whāriki



## Ko Ngā Uara

### The values

Our values of Te Aroha, Ngā Ture, Whakapono and Kotahitanga are embedded in and woven through the actions we take to achieve successful outcomes for our tauira, as by achieving success for tauira we achieve success as an organisation. Our values also provide an on-going cycle of evaluation and improvement that contributes to the achievement of our Kaupapa and our goals. Te Wānanga o Aotearoa defines its values as follows.

#### Te Aroha

Having regard for one another and those for whom we are responsible and to whom we are accountable

#### Te Whakapono

The basis of our beliefs and the confidence that what we are doing is right

#### Ngā Ture

The knowledge that our actions are morally and ethically right and that we are acting in an honourable manner

#### Kotahitanga

Unity amongst iwi and other ethnicities; standing as one

## Ko Te Kaupapa

### The philosophy

Ki te whakawhiwhi i ngā mea angitu, a, i ngā akoranga katoa tino teitei mo ngā Māori me ngā iwi o Aotearoa me te ao

Ki te waihanga i tētahi āhuatanga hei akoranga tikanga Māori

Ki te whakawhiwhi i te mea akoranga whai kiko

Ki te tautoko, ki te whakahau, ki te ārahi i ngā tauira katoa, i a rātou e aru ana i ngā whanaketanga i ngā akoranga me ngā mahi e pa ana ki a rātou

Ki te whakahau i ngā tauira katoa ki te ako kia whiwhi ai rātou i te puāwaitanga tino teitei o te māiatanga

Ki te whakahau i ona kaimahi, kia pai ai te haere o ngā tikanga o te mahi i whakaatu mai, kia whiwhi ai rātou i te puāwaitanga tino teitei o te māiatanga

To provide holistic educational opportunities of the highest quality for Māori, peoples of Aotearoa and the world

To provide a unique Māori cultural learning environment

To provide practical learning experiences

To provide support, encouragement and guidance to all tauira in their pursuit of personal development, learning and employment

To encourage all tauira to learn and achieve to their fullest potential

To be a good employer and encourage staff to develop personally and professionally to their fullest potential









# Hei whakamaumaharatanga

Remembrance

E te iwi nui tonu tēnei ka tangi mō koutou kua  
ngaro ki te Hono-i-wairua.

Mahue mai ko mātou te hunga ora ki muri nei auē  
ahi ai, mōteatea atu ai, mapu atu ai.

Nō reira moe mai rā kei aku rau kahurangi kei aku  
kuru tongarerewa.

Waiho mai ko mātou hei pīkau i ā koutou ōhākī hei  
oranga mō ngā whakatupuranga.

E moe, okioki atu.

To the multitudes who have departed this world,  
we mourn for you as you now take your place  
where the spirits gather.

In the world of the living – those of us who have  
been left behind – we wail in sorrow, we weep as  
we think of you, we heave a sigh of grief.

But, sleep my cherished ones, my treasured ones.

Leave for us your works that we may  
continue to fulfil your aspiration to help our  
future generations.

Forever be at rest.

# Ngā whakahirahirātanga

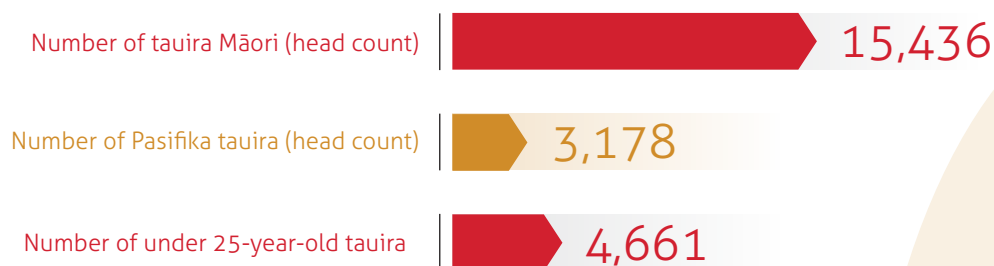
## Highlights

Building on significant gains made in recent years, Te Wānanga o Aotearoa once again celebrated a broad range of achievements during 2012. As always, our tauira were central to the success of our organisation as they journeyed towards fulfilment of their aspirations. These pages show just a few of the many highlights recorded throughout Te Wānanga o Aotearoa during 2012.

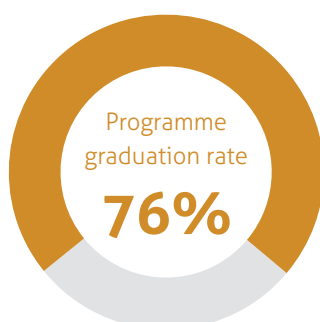
### ► Taking education to the people



### ► Working with priority learners



### ► Supporting tauira to achieve success



## ► Supporting engagement with pathways of learning



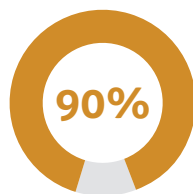
## ► Working to fulfil Te Kaupapa



Kaimahi who believe their work is of significance



Kaimahi who are proud to work for Te Wānanga o Aotearoa



Kaimahi who feel Te Wānanga o Aotearoa reduces barriers to education



Kaimahi who believe Te Wānanga o Aotearoa delivers education that drives positive cultural, social and economic transformation

## ► Extending pathways, expanding options

**He Waka Hiringa**  
Masters in Applied Indigenous Knowledge

**He Korowai Akonga**  
Bachelor of Education (Primary Teaching)

**He Korowai Akonga**  
Bachelor of Education (Adult Education)

**Taumata Raukura**  
Infrastructure

## ► Securing the future of our organisation

Surplus

► \$7.9 million (5.2%)

Total income

► \$152 million

Net assets

► \$139 million



**RICHARD BATLEY**

# Tā Te Heamana Chair's report

The global economy continued to have a significant impact across the country during 2012. These difficult times are driving the Government's focus towards programmes that deliver employment outcomes and lift youth participation in tertiary education. We acknowledge these aims and, as always, we will provide programmes that lead to academic fulfilment and meaningful employment. We will also continue to explore options to increase the number of young people (particularly young Māori and Pasifika males) we attract.

## **Assuring sustainability**

Despite the tough economic climate, this report records another period of strong growth for Te Wānanga o Aotearoa, and I am delighted to announce a surplus of \$7.9 million for the past year. The platform for our success continues to be the high quality of education that Te Wānanga o Aotearoa delivers to its taura. In order to remain world-class, we continue to review, refine and develop our programme portfolio. But, we also work to ensure our financial operations are robust and disciplined. Strong financial management assures funds for our physical assets – reinvestment in our campuses, buildings and staff – and helps us meet the challenges of the ever-changing tertiary education scene.

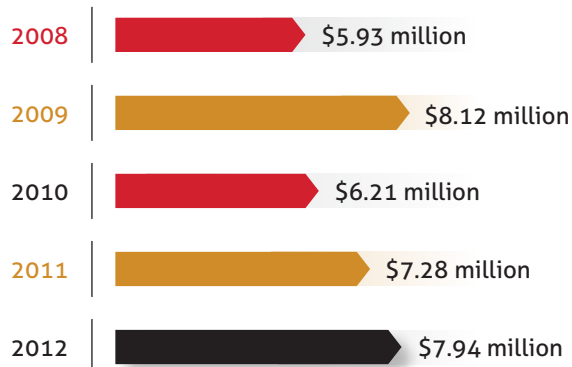
It is also important for us to remember our heritage. Te Wānanga o Aotearoa is driven by Māori principles and values and it is this philosophy that sees us thrive.

It is a pleasure to introduce the 2012 annual report for Te Wānanga o Aotearoa. Once again, we have exceeded expectations – financially as well as educationally.

I pay tribute to our staff for their efforts, to management, and to my fellow Te Mana Whakahaere members whose combined efforts helped achieve these positive results.



### Surplus - five year trend



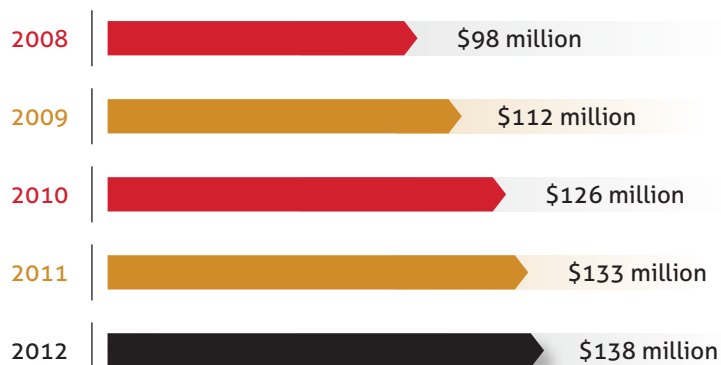
We are still a young institution – agile and nimble – and it is our youthful spirit that drives our innovation and gives us the energy to achieve where others struggle.

### Maximising efficacy

In 2012, we completed the first phase of a review of our governance structures and processes – work that began in 2009. The review evaluated strategic and planning processes and the kawa of Te Mana Whakahaere within the context of driving future organisational growth and realising the potential of our organisation. This work

is a pre-emptive approach that parallels a Government-led review of governance structures across the tertiary sector. Results from the review have been presented to council members, including a preferred model for our future council. The model indicates a reduction in the size of Te Mana Whakahaere to make council more responsive and to promote more effective and robust decision-making. In the coming months we will begin a comprehensive

### Total net assets - five year trend



“  
We will  
provide  
programmes  
that lead to  
academic  
fulfilment and  
meaningful  
employment.”

consultation with key stakeholders. This year it was also determined prudent to review our executive management structure. At the conclusion of the five-year contract for Te Pouhere Bentham Ohia, Te Mana Whakahaere decided it was timely and appropriate to go to market to seek out the very best applicants to lead Te Wānanga o Aotearoa for the next five years. It has been seven years since we last did so and, with the role of appointing the chief executive one of the key functions of council and with a fresh new landscape ahead for Te Wānanga o Aotearoa, we decided collectively to advertise the chief executive position. We progressed the CEO recruitment process throughout 2012 and it will culminate in the appointment of a chief executive – the incumbent or otherwise – in April 2013.

### **Employing the best people**

As I reiterated to our staff throughout 2012, our commitment to assuring the brightest possible future for Te Wānanga o Aotearoa dictates that we must constantly seek to review and improve our operation and our progress. In support of this perspective, we continue to seek out the very best of advice in all areas of our business. In March, we were very fortunate to secure the services of Janice Shiner – the former chief executive of the Tertiary Education Commission. During her time at Te Wānanga o Aotearoa, Janice met with Te Mana Whakahaere to discuss ways in which effective governance and management contribute to raising educational achievement. I know I speak for my colleagues when I say we valued the erudite and insightful recommendations Janice contributed to the conversation.

### **Remaining competitive**

In July, a significant proportion of our funding once again came under threat through the Level 1 and 2 Review process. Through this mechanism, the Government seeks to introduce competition between tertiary institutions delivering education at levels 1 and 2 in pursuit of maximum return on its investment. Traditionally, Te Wānanga o Aotearoa has focused heavily on programmes at these levels to meet the needs of its taura. I am extremely happy to report that we were very successful in our bid, with our funding levels remaining unchanged. I believe this result is a testament to the regard with which our programmes are held within government and the value we contribute to the tertiary sector at these levels.

### **Welcoming a new member**

In September, we welcomed Nicholas Manukau to the council table as the new taura representative. Nicholas has a background in education and the environment and is a valuable addition to our team. I thank Jo Hymers (the outgoing taura representative) for her contribution during her time with us, and I wish her well for the future. I also acknowledge and thank all members of Te Mana Whakahaere for their dedication and their contributions to this institution, and for ensuring that Te Wānanga o Aotearoa remains true to its philosophy.



**Richard Batley**  
Chairperson



**Johnny Lokeni**  
National Certificate in Career Preparation





# Ta Te Pouhere

## CEO's report

### BENTHAM OHIA

Kia tautokona ngā mihi  
ki a Ihowa o ngā mano, te  
kaihanga o te rangi me te  
whenua. Whakamihia te  
upoko ariki e noho mai  
rā. Kīngi Tuheitia tēnei ka  
maioha atu. E ngā mate  
tuatinitini kua hoki ki  
ngā onekura o Rangiātea,  
haere, e moe, whakangaro  
atu rā. Ko te aka roa o te  
rangi ki a rātou, ko te aka  
nui o te whenua ki a tātou,  
tēnā tātou katoa. E ngā  
maunga kōrero, e ngā wai  
tuku kiri o ngā iwi, tēnā  
koutou katoa

On behalf of the tauira and kaimahi of Te Wānanga o Aotearoa, it is once again my great pleasure to report on the progress of our organisation for what has been a challenging but hugely rewarding year. I acknowledge our Lord God for the many blessings we continue to enjoy as we go about our life's work. I acknowledge our founders, Dr Rongo Wetere and many other whānau, for their foresight and for their perseverance in driving the establishment of this movement. I also acknowledge our kaimahi (our staff) and our tauira (our students) for their industry and their commitment to Te Kaupapa o Te Wānanga o Aotearoa.

From inception, Te Wānanga o Aotearoa has centred its activities on the proverb, 'Don't teach me about my culture, but use my culture to teach me' (Benny Shendo and Jemez Pueblo). This focus has created a Māori cultural learning environment for Māori and all peoples of the world and ensured we offer current, relevant, quality learning experiences for our tauira. Wherever possible, we have established sites in locations that are accessible to our tauira and we have used formal and informal networks to foster participation – we have taken education to the people and encouraged them to engage with us. Our aim has been to serve and care for our communities, something that requires hard work and dedication. Our values guide each member of our kaimahi as we carry out this work and our kaupapa is entrenched in all we do.



## Supporting our tauira to succeed

In 2012, we welcomed more than 30,000 tauira into our whānau and set out together on what would be a highly successful educational journey. We significantly exceeded our targets (agreed with the Tertiary Education Commission) as we built on year-on-year improvements in educational performance. Our final overall course completion rate was 80%, well above our agreed Investment Plan target of 74%. Our qualification completion rate of 72% also exceeded our target (67%).

I congratulate all those who completed a qualification with us in 2012 and I look forward to seeing these successful tauira at one of the many graduations we will hold throughout the country in 2013. I wish all our tauira well in their future endeavours, whether their paths lie in employment or in further study, and I look forward to hearing of their successes through our Kāpuia graduate network. I also acknowledge our kaiako (tutors) for the knowledge they share and the support they provide to our tauira – Ka nui te mihi ki ā koutou e aku rangatira.

## Returning a strong financial performance

Adding to this strong academic performance, Te Wānanga o Aotearoa Group achieved a sound financial result. The group recorded a surplus of \$7.9 million, well within the 3-5% surplus/deficit range specified by the Tertiary Education Commission. As with previous years, this outcome is the product of a stringent programme of cost containment combined with prudent management of our financial assets. The result reinforces the financial stability and ongoing sustainability of

our organisation and I commend our management team and thank them for their vigilance in this area of our business.

## Looking to the past to plan for the future

Beyond these achievements, 2012 provided a broad range of highlights as we continued to shape our organisation to meet present realities and prepare for future challenges. As always, the lessons of the past provided a solid vantage from which to contemplate the many competing interests that continue to buffet our wānanga. In each situation, we aim to harness the best that each contributor has to offer to achieve a win-win outcome for all stakeholders rather than a diluted product weakened by compromise.

An example of the power of collaboration between significant stakeholders is Te Rautakinga (our strategic plan), which was completed in 2012. Te Rautakinga brings together the thoughts of our council, senior management and the thousands of kaimahi, whānau and communities throughout Aotearoa New Zealand to produce a vision for our people out to the year 2030. The vision is explained through ten strategic attributes, each of which describes a key outcome for our people and our organisation. Together, the attributes provide a plan to uplift our people, to nurture our culture, to contribute to the social and economic development of Aotearoa New Zealand, to energise our organisation and to protect our environment. As a whole, the document shows that our founders' vision and hopes for the future remain as relevant today as always and, although we have achieved much, there is still much to do.

“ 2012 provided a broad range of highlights as we continued to shape our organisation to meet present realities and prepare for future challenges. ”



### Qualification completion rate



### Course completion rate



### Retention rate

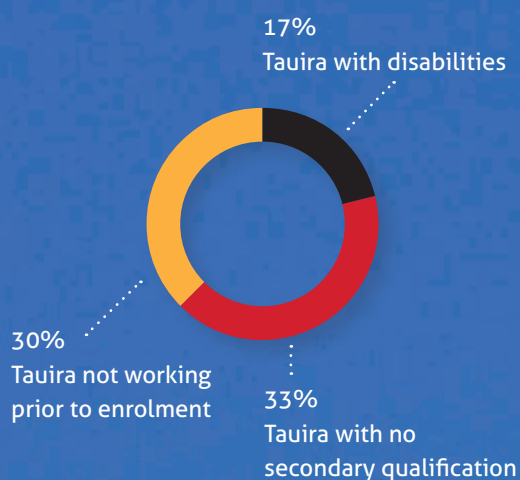


## Extending pathways in secondary and tertiary

During recent years, we have centered our programme development efforts on consolidating pathways of learning to enable tauira to study with us continuously from foundation to degree level. During 2012, our curriculum designers generated significant momentum in this area through the implementation of a range of bachelor level degrees. However, more excitingly, we also saw completion of our new master's degree: He Waka Hiringa – Master of Applied Indigenous Knowledge. This qualification now enables our tauira to transition seamlessly from foundation level to master's level. He Waka Hiringa is

being delivered for the first time in 2013 and I look forward to seeing our master's graduates take their place as leaders of our society.

Our concern continued to grow for our rangatahi during the year as the youth unemployment rate remained high. The future of our country rests with our rangatahi and, at present, a good proportion of them are unable to secure employment. While we have been extending our programming into higher levels of education, we have also been planning to extend our education into secondary schools, including the addition of NCEA qualifications. This will create a seamless and integrated articulation pathway to assist secondary school students and their whānau.



While we work to provide more opportunities at secondary level, we also remain dedicated to helping engage rangatahi in education and training at tertiary level to provide them with the skills they need to gain meaningful employment. In pursuit of this goal, we made significant progress with our Mātātahi Mataora (youth) strategy during the year. Most notably, we negotiated two key contracts with the Ministry of Social Development to provide youth services and to extend the range



of youth programmes available in our communities. These contracts help us gain access to the people who really need our help – those whose needs haven't been met at secondary school and who would benefit most from tertiary study. We also created a wide range of programmes to engage youth, including a number of joint ventures to support Māori and non-Māori tauira at other institutions.

## Riding a new wave of change

Budget 2012 provided detail around the Government's adjustment to the way it purchases our foundation programmes at level 1 and 2. Within the new regime, the Government placed 33.3% of its 2013 level 1 and 2 funding into a contestable pool. This move posed (and continues to pose) a significant threat to our organisation – it has the potential to seriously destabilise our wānanga and removes any certainty surrounding our short and long-term planning. It also seriously threatens the ongoing viability of our organisation. On this occasion our application to the contestable fund was successful and we secured funding for all programmes for which we bid. As things stand, we will go through this process again in 2014. However, we believe a co-constructed alternative developed by ourselves and Government will be a better way to fully realise our contribution to the Government's national education goals.

The Government's current drive for economic transformation is increasingly limiting our organisation's ability to fulfil our distinctive character as defined in the Education Act 1989 – 'to assist the application of knowledge regarding āhuatanga Māori according to tikanga Māori'. Pressure to achieve unrealistic performance outcomes creates an institutional shift that compromises the





organisational values that are inherent in our mission. This further marginalises those who have already been side-lined by a secondary education system that somehow continues to remain oblivious to the needs of a significant proportion of those whom it has been charged with educating, especially those tauira enrolled in our level 1 and 2 programmes. Although hindered by the contestable process, we will continue to the best of our ability to offer educational opportunities for these tauira.

### **Negotiating a viable future**

With the Level 1 and 2 Review process complete, we entered negotiations with the Tertiary Education Commission for our new Investment Plan 2013-2015. Our latest plan presents a new reality for our organisation. In particular, our future targets will drive us to increase the proportion of tauira aged less than 25 years from 13% in 2012 to 25% in 2015. By 2015, we will also be required to restrict the number of tauira who hold a qualification at level 2 or above from enrolling on a level 1 or 2 programme. Put into effect, 90% of tauira enrolling at level 1 or 2 will need to have a qualification no higher than level 1, preventing many tauira from accessing our entry-level mātauranga Māori programmes. By the same date, our Māori tauira will be required to achieve performance parity with our non-Māori tauira.

With the exception of limiting uptake of our level 1 and 2 programmes, the Government's targets align with our own aspirations, particularly as we begin working towards fulfilling Te Rautakinga. Although some goals will present significant challenges, we accept these as we continue to strive to achieve Te Uaratanga (our organisational mission).

As we look to the future, our organisation is well placed to continue providing the unique brand of inclusive and highly relevant education for which we have already built a solid reputation. We will also continue to develop initiatives that acknowledge the critical importance of providing robust academic and pastoral tauira support systems combined with welcoming and supportive environments and programmes that provide holistic (rather than insular) outcomes. Te Wānanga o Aotearoa has been delivering these components as part of its quality educational experience for more than two decades in alignment with Te Kaupapa (our philosophy) and Ngā Uara (our values). We will continue to develop our knowledge and experience in these areas in the coming years.

### **Acknowledging our greatest asset**

In the meantime, I thank everyone who has contributed to our great results in 2012. To our tauira, thank you for choosing Te Wānanga o Aotearoa as your place of higher learning as you work towards fulfilling your dreams. We have enjoyed having you in our whānau and we look forward to your return.

I send my thanks to members of Te Mana Whakahaere, members of Te Rautiaki Mātauranga (our academic board), members of Te Ārai Tūpono (our audit and risk committee), members of the board of Open Wānanga Limited, and kaumātua and kuia of Te Kāhui Amorangi o Te Wānanga o Aotearoa. Thank you also to iwi, and hapū across the country who have contributed to the success of our organisation.

But most of all, I send my sincere gratitude and my aroha to each and every one of





our kaimahi (the staff of Te Wānanga o Aotearoa). I thank you for your efforts and for your unwavering dedication to Te Kaupapa of our organisation. I know that many of you often go well beyond the requirements of your job and I thank you for your dedication. I count myself truly blessed to have been given the opportunity to work amongst such an outstanding, talented and caring group of people. You are truly our greatest asset! Stand strong in the knowledge that your efforts continue to strengthen the community of Te Wānanga o Aotearoa, as well as the tens of thousands of people we serve in communities across Aotearoa New Zealand.

Kia noho ora mai nā i te pūāhurutanga o te aroha nui o tētahi ki tētahi me ngā manaakitanga a te Wāhi Ngaro.

*Bentham Ohia.*

## **Bentham Ohia**

Te Pouhere o  
Te Wānanga o Aotearoa

“

Kia noho ora mai nā i te pūāhurutanga o te aroha nui o tētahi ki tētahi me ngā manaakitanga a te Wāhi Ngaro.

”



Work experience taiohi Finnlee Iti with  
Tautoko Taiohi Denise Flavell



# Ngā Kaihautū

Executive directors



**BENTHAM OHIA**



Te Pouhere  
(Chief Executive Officer)  
Ngāi Te Rangi, Ngāti Pūkenga,  
Ngāti Ranginui, Te Āti Awa,  
Ngāti Rārua  
MBA, BA, Dip Tchg

Bentham is a vocal proponent of the transformative power of high-quality, relevant and effective tertiary education.

Having worked in a variety of roles at Te Wānanga o Aotearoa over two decades, Bentham now unites more than 1,000 kaimahi to deliver education to more than 30,000 tauira annually.



**HINERANGI RAUMATI**



Kaihautū - Titiraukura  
(Operations)  
Ngāti Mutunga, Waikato  
BMS, MMS, FCA

With an extensive background in investment, financial management, and governance in Māori and non-Māori corporate settings, Hinerangi brings a unique and highly sought after blend of skills to her role as Kaihautū – Titiraukura.

Hinerangi and her team use cost efficient, best-practice systems and processes to furnish the tauira and kaimahi of Te Wānanga o Aotearoa with the latest learning resources supported by up-to-date technology.



**KIERAN HEWITSON**



Kaihautū - Marautanga  
(Curriculum) from June 2013  
Ngāti Porou me  
Te Whānau-a-Apanui  
BSocSci

For more than two decades, Kieran has contributed her substantial skills and experience to organisations that promote and protect the principle of unhindered access to tertiary education. A long-standing kaimahi of Te Wānanga o Aotearoa, Kieran's particular passion lies in Māori and Pacific development with a focus on policy and quality assurance.

In an acting role, Kieran currently leads our Marautanga directorate to manage a programme portfolio that balances the educational and cultural needs of tauira while maximising employment opportunities for all.





**KINGI WETERERE**



General Manager - Open  
Wānanga  
Ngāti Maniapoto  
NZCE

A successful entrepreneur and manager, Kingi has built a reputation for delivering innovative and flexible education programmes that eliminate many of the barriers that prevent people from accessing tertiary study.

For more than a decade, Kingi has led his Open Wānanga Limited team to develop and deliver a range of home-based programmes, including the highly successful Mahi Ora and Mauri Ora programmes. He has also led the delivery of a range of popular English language programmes.



**TURI NGATAI MNZM**



Kaihautū - Whakaū Kounga  
Ako (Delivery)  
Ngai Te Rangi, Ngāti Ranginui  
PGDipEd, BEd, DipTchg

Turi has spent most of his working life in the education sector. He uses his broad experience to motivate his teaching kaimahi to provide the high-quality, tauira-centric education that has become the hallmark of Te Wānanga o Aotearoa.

Turi also works with his kaimahi to ensure every tauira receives timely, effective and appropriate support that encourages success.



**DR SHANE EDWARDS**



Kaihautū - Marautanga  
(Curriculum) to June 2013  
Kaihautū - Quality  
Improvement and Research  
from June 2013  
Ngāti Maniapoto  
PhD, MA (Hons), PGDipEcoDev,  
GDipHE, BEd, DipTchg, NCB

A widely published, recognised and respected indigenous and education researcher, Shane is a sought after public speaker at conferences and symposiums.

Shane currently heads our Quality Improvement Unit, which is charged with maximising the learning experience for each tauira through use of Te Toi Roa – a comprehensive system of self-assessment and review. Shane is also responsible for overseeing research activity across Te Wānanga o Aotearoa.









# He whakamahukitanga

Organisational profile

Each year, more than 30,000 taurira choose **Te Wānanga o Aotearoa** as the organisation best able to meet their needs and support them to succeed in tertiary education.

*hutia  
te rito...*



With sites at more than 120 locations in 80 towns and cities throughout Aotearoa New Zealand, we ensure our education is accessible, affordable, relevant, inclusive, and connected with the communities within which we operate. Our success comes from the achievements of our taura as we work together to make our world a better place.

## A brief history



Founded in 1983, our organisation originally provided local training and education options as an alternative to the unresponsive mainstream education providers of the time. The Waipā Kōkiri Arts Centre (as we were then known) quickly became popular with young people who recognised an opportunity to gain the skills they needed while learning in a nurturing and supportive environment.

Throughout the 1980s, the Centre significantly increased Māori participation at tertiary level by taking education to the people, opening facilities in rural towns throughout the Waikato region and South Auckland. Changing our name to Aotearoa Institute in 1989, we began applying for tertiary status as a wānanga. We received this recognition in 1993 (after an amendment was made to the Education Act 1989) and changed our name to Te Wānanga o Aotearoa.

During the early 2000s, we experienced a period of explosive growth as taura rushed to join our hugely popular programmes. Key among these were programmes that provided stepping stones into tertiary education, established literacy, numeracy and basic financial skills, relinked taura with their culture and their whānau, engaged taura with technology, and motivated them towards employment. Te Wānanga o Aotearoa quickly became the largest tertiary institution in the country, growing from 1,008 taura in 1999 to 66,756 in 2004. However, this rapid expansion came at a price – our systems and processes were unable to keep pace with the extreme demand. In 2005, the Government appointed a team of Crown managers to work with kaimahi to consolidate the organisation and this work was completed in 2008.

Te Wānanga o Aotearoa continues to explore what it means to be a 21<sup>st</sup> Century, values-driven, Māori organisation operating within predominantly non-Māori systems. We seek to revisit 'traditional ways of being and doing' in search of effective strategies that more genuinely reflect the heart of this organisation and its stated commitment to Māori and to all New Zealanders.

## Our philosophy



At Te Wānanga o Aotearoa, we believe education is a universal right and an essential platform that opens up access to the full range of experiences life has to offer. We aim to eliminate barriers that prevent or discourage engagement with tertiary education, including financial and geographical barriers, as well as whānau commitments and those created by previous negative experiences with the education system. We offer a nurturing, whānau-based learning environment in which we support our taura to achieve success and realise their dreams.

Although our organisation is grounded in Māori values, we offer inclusive learning environments where all are welcome. Our aim is to offer as many programmes as we can in as many locations as possible. We also provide as many study options as possible, with taura able to study full-time or part-time, face-to-face or at home, during weekdays, in the

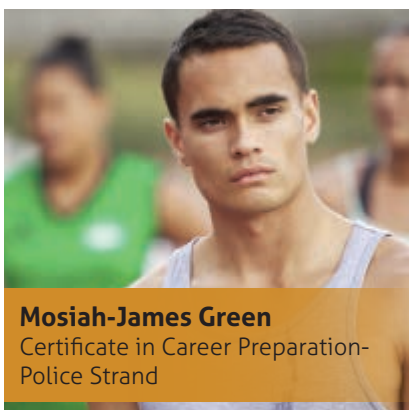


evenings, or on the weekends. Having this many options allows tauira to organise their studies around their lifestyles, including work and family obligations. Extensive tauira support systems ensure that our tauira have access to the best help across extended hours and a range of options.

We are dedicated to helping individuals, families, whānau and communities throughout Aotearoa New Zealand achieve educational, economic, social, and cultural transformation. Our aim is to provide for the needs of our tauira and support them to achieve educational success that leads to academic fulfilment and meaningful employment.

We believe our philosophy leads to positive changes in the lives of our tauira, the lives of their families, our communities, and Aotearoa New Zealand. In the words of our founders, let's work together to make our world a better place.

## Our strategy



**Mosiah-James Green**  
Certificate in Career Preparation-  
Police Strand

Te Rautakinga (our strategic plan) describes our objectives out to 2030. Detailed across ten strategic attributes, our strategic plan promotes innovation,

agility, responsibility and sustainability as transformative agents.

Over the plan period, we will drive innovative education that delivers highly-valued, relevant skills for our tauira. We will nurture mātauranga Māori and develop our indigenous research capacity and capability to become a leading indigenous research organisation. We will encourage uptake of tertiary education (particularly among our priority learners) and support tauira success. We will consolidate organisational sustainability to protect our organisation for future generations. We will promote the health of our people, protect the environment, and maintain active, healthy relationships with our stakeholders.

Within these attributes, we will continue to provide an organisational environment that promotes a spirit of service, a spirit of optimism, a spirit of faith and a spirit of unity in support of our goal of whānau transformation through education.

## Scholarships



**Sanshirlee Apera**  
Certificate in Māori Performing  
Arts - Music

We provide additional financial assistance to our tauira through

Aotearoa Scholarship Trust (AST) – a charitable trust we set up to administer tauira scholarships. In 2012, AST awarded 20 scholarships totalling \$110,000. Scholarships were awarded to those studying at higher levels (diploma and above) who were engaged in initiatives that impacted positively on communities. All recipients were studying towards a qualification that will help them in their work and the initiatives in which they are engaged.

## Our programmes



**Phyllicia Kingi**  
Certificate in Māori Performing Arts

Our programmes meet the needs of our tauira as well as those of our key stakeholders. We deliver more than fifty programmes across eight programme areas, or marau. The eight marau are Tūāpapa (Foundation); Te Reo Rangatira (Māori Language); Angitū (Māori and Indigenous People's Development); Te Arawhānui (Business, Computing and Innovation); Hauora (Health and Fitness); Toi (Māori and Indigenous Art); Te Hiringa (Education and Social Services); and Umanga (Professional Skills, Trades and Vocations).

# Ngā rohe me ngā whare

## Regions and sites

Our operations are managed within six rohe (regions) that extend across the length and breadth of Aotearoa New Zealand. Our face-to-face delivery is supported by Open Wānanga, which delivers home based learning for those whose study options are limited by geographical barriers and other constraints. Each rohe has its own essence that reflects the iwi and taurira who reside there and the programmes offered to meet the unique needs of their local communities.

### OPEN WĀNANGA

**Central hub location:**

Te Awamutu

**Regions served:**

Nationwide

**Number of taurira (2012):**

11,330

**Key sites:** Nationwide

Open Wānanga (a wholly owned subsidiary of Te Wānanga o Aotearoa) delivers home-based learning to taurira throughout Aotearoa New Zealand, eliminating geographical barriers that prevent many from engaging in tertiary education. Open Wānanga also delivers a range of English language programmes for taurira with English as a second language.





### TĀMAKI MAKĀURAU/ TE TAI TOKERAU

#### Central hub location:

Manukau - Māngere, Auckland

#### Regions served:

Northland/Auckland

**Number of taura in 2012:** 9,388

**Key sites:** Kaitiāia, Kaikohe, Ngā Mahinga (Whangarei), Te Raki Paewhenua (North Shore), Manukau, Waihorotiu (Queen Street), Te Rewarewa (New Lynn), Glen Innes, Hoani Waititi Marae

With its large Māori, Pasifika and Asian populations, our Manukau site celebrates cultural diversity in our largest city. Popular programme choices in Tāmaki Makaurau are computing, te reo, business and tikanga.



### WAIARIKI

#### Central hub location:

Turipuku – Rotorua

#### Regions served:

Bay of Plenty

**Number of taura in 2012:** 2,566

**Key sites:** Tauranga Moana, Rotorua, Whakatāne, Kawerau, Tūrangi

Waiariki is home to large Māori and Pasifika populations and this is reflected in our demographics for Waiariki rohe, with upwards of 80% of taura being from these two groups each year. Popular programme choices in Waiariki are te reo, business, computing, and health and fitness leadership.



### PAPAIŌEA

#### Central hub location:

Hokowhitu – Palmerston North

**Regions served:** Hawkes Bay, Taranaki, Manawatu, Wanganui, Wellington

**Number of taura in 2012:** 2,266

**Key sites:** Ngāmotu (New Plymouth), Te Matau a Māui (Hastings/Napier), Whanganui, Hokowhitu (Palmerston North), Taitoko (Levin), Whakaoriori (Masterton)

Papaiōea is committed to the revitalisation of te reo Māori and aims to have all kaimahi either fluent in the language or working towards it. Popular programmes in Papaiōea are te reo, the arts (particularly raranga), business and mau rākau.



### TAINUI

#### Central hub location:

Mangakōtukutuku – Glenview, Hamilton

**Regions served:** Waikato

**Number of taura in 2012:** 2,590

**Key sites:** Rāhui Pōkeka (Huntly), Raroera (Te Rapa, Hamilton), Mangakōtukutuku (Glenview, Hamilton), Apakura (Te Awamutu), Tokoroa, Maniapoto (Te Kūiti)

Home to O-Tāwhao marae (the birthplace of Te Wānanga o Aotearoa), Tainui rohe also hosts Te Puna Mātauranga (our head office) in Te Awamutu. Tainui is now catering to a rapidly expanding youth market being driven by a range of new youth initiatives called Mātātahi Mataora. Popular programme choices in Tainui are te reo, tikanga, sports leadership and business.



### WHIRIKOKA

#### Central hub location:

Whirikoka – Gisborne

**Regions served:** Gisborne, Tairāwhiti, Ōpōtiki, Wairoa, Tūranganui a Kiwa

**Number of taura in 2012:** 1,295

**Key sites:** Ōpōtiki, Whirikoka

First to greet the new day on behalf of Te Wānanga o Aotearoa, Whirikoka hosts a large percentage of taura who have never gained a qualification prior to studying with us.

Popular programme choices at Whirikoka are te reo, tikanga, business, the arts (particularly raranga) and indigenous research.



### TE TAITONGA

#### Central hub location:

Porirua – Porirua, Wellington

**Regions served:** Wellington, Tasman, Nelson, Marlborough, West Coast, Canterbury, Otago, Southland

**Number of taura in 2012:** 3,237

**Key sites:** Porirua, Te Awakairangi (Lower Hutt), Orongomai (Upper Hutt), Waitohi (Picton), Waiharakeke (Blenheim), Whakatū (Nelson), O-Tautahi (Christchurch), Wānaka, Whakatipu (Queenstown)

Te Tai Tonga continues to support taura and kaimahi of O-Tautahi as they continue to rebuild their lives and create an exciting future through tertiary education. Popular programmes in Te Tai Tonga are te reo, business, computing and social services.





# Ngā tauira

## Our students

As a tertiary education institution that understands the extent to which education transforms the lives of our tauira, we are dedicated to promoting, providing and ensuring equal access to education.

As part of this commitment, we encourage and support access by priority learners (Māori, Pasifika and under-25 year olds) and those marginalised by the mainstream education system. However, we also seek to attract those with low or no qualifications, because these are the people least likely to engage with tertiary education and those who have the most to gain. These objectives are reflected in the diversity of our tauira population.

Our tauira demographics reflect areas of need in the communities we serve and have remained relatively stable over recent years. Our people chose to study with us because they value the opportunity to study in a nurturing, whānau-based environment. They choose to study with us because our organisation caters for their needs. They choose to study with us because they trust us to deliver an educational journey that will fulfil their academic aspirations and lead to meaningful employment.

Data presented in this section are drawn from the December 2012 Single Data Return resubmitted to the Ministry of Education on 28 February 2013.



Work experience taiohi Hamiora Davis  
with Tautoko Taiohi Shan Marsters

... ko  
te aroha  
āno he wai



## Engagement

Tauira engagement is measured by the number of tauira enrolling at Te Wānanga o Aotearoa and the number of EFTS consumed each year. During 2012, we recorded a slight decrease (-128) in the number of tauira enrolling with us.

The following chart shows the five year trend for tauira numbers.

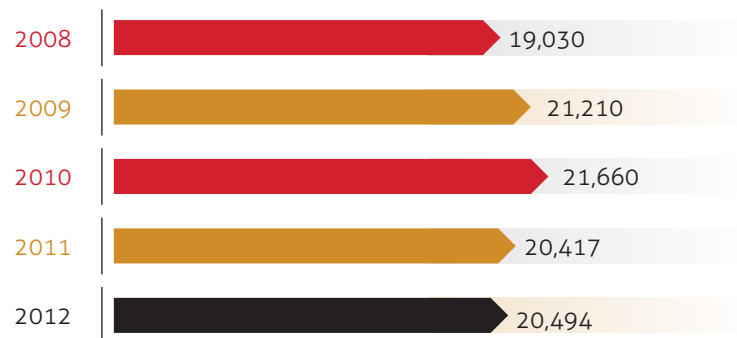
### Number of tauira



At the same time, we recorded a slight increase (+77) in the number of EFTS consumed. This anomaly (tauira numbers decreasing while EFTS increase) occurs when our tauira choose to study programmes of longer duration.

The following chart shows the five year trend for consumed EFTS.

### Consumed EFTS



Our EFTS target for 2012 was 20,401 against which we achieved 20,494 EFTS. The variance between target and consumed EFTS is 0.5%, which falls within the  $\pm 3\%$  threshold set down by the Tertiary Education Commission.

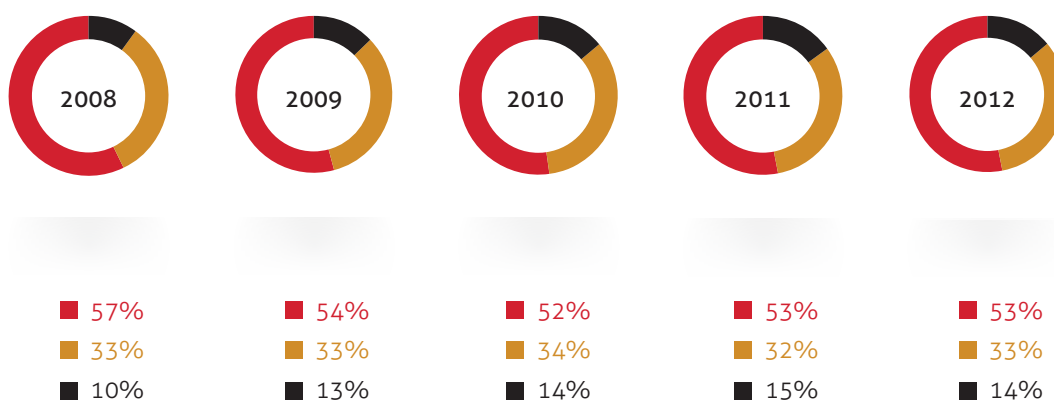
## Age

In 2012, the proportion of taura aged under 25 years decreased by 1% compared with 2011. This decrease is balanced by a 1% increase in the proportion of taura aged 25 to 39 years. The proportion of taura aged 40 years and older remained unchanged.

The following chart shows five year trends for taura age demographics.

### Key

- Under 25 yrs
- 25 to 39 yrs
- 40 yrs plus



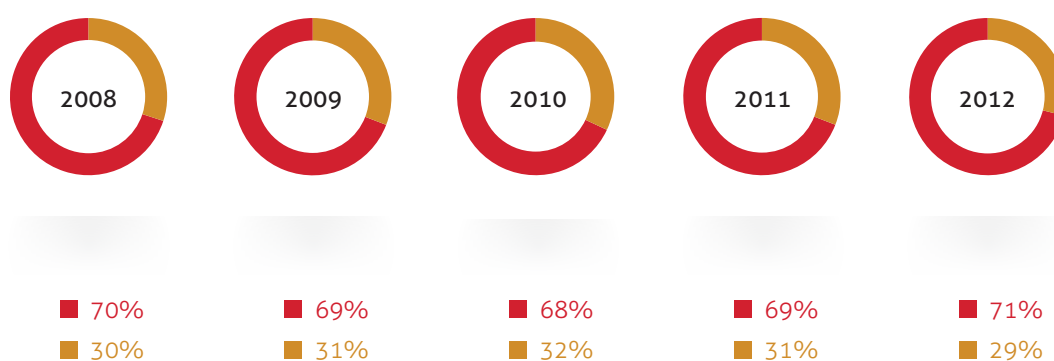
## Gender

As in previous years, we continued to attract a high proportion of females to our programmes. The year saw a 2% increase in the number of females studying with us, from 69% in 2011 to 71% in 2012.

The following chart shows the five year trend gender profile for our taura.

### Key

- Male
- Female

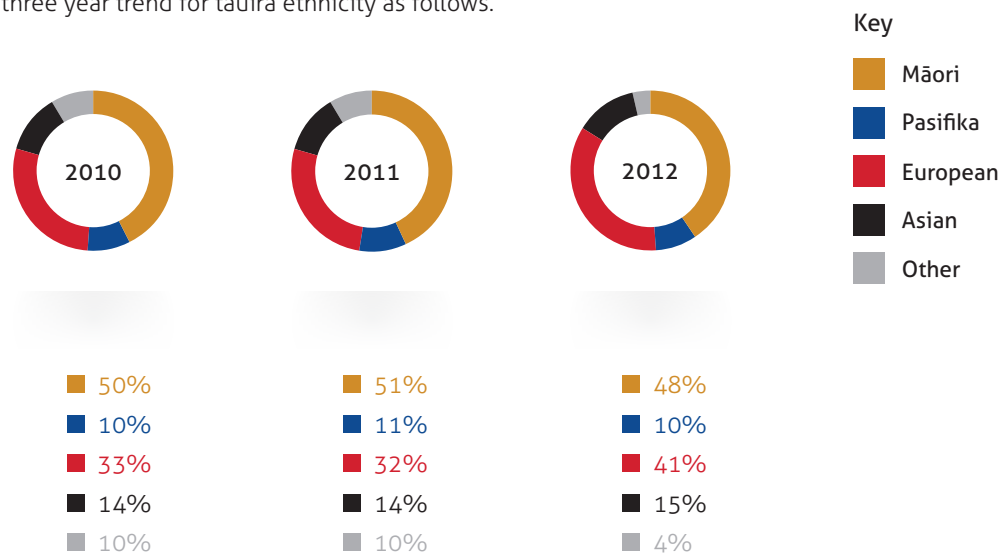




## Ethnicity

Te Wānanga o Aotearoa is the largest provider of tertiary education to Māori throughout Aotearoa New Zealand. In 2012, 15,436 taura (48%) enrolling with us indicated they had Māori ancestry. Added to this, 3,178 (10%) indicated Pasifika ancestry.

In 2010, the Ministry of Education changed the way ethnicity statistics were reported and statistics produced prior to this date are not compatible with those produced since. For this reason, we are only able to produce a three year trend for taura ethnicity as follows.



## Impairments

As part of our drive to reduce barriers to education, we ensure that taura with impairments have the facilities and resources they require to be successful in their studies. In 2012, 17% of taura enrolling with us reported having an impairment.

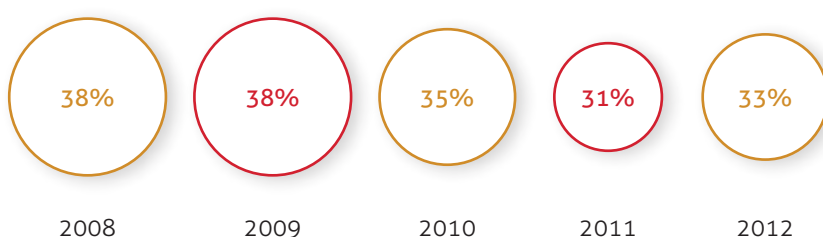
The following chart shows the five year trend for the proportion of taura enrolling with us who reported having an impairment that required additional support or resources. Information is drawn from our taura database.



## No secondary qualification

Each year, a relatively large proportion of our taura come to us without having achieved a qualification, either at secondary or at tertiary level. These people have often experienced years of unemployment or underemployment, and this has led them to understand the important role education plays in gaining access to better jobs and higher wages. They enrol with us to start an educational journey towards a better and brighter future.

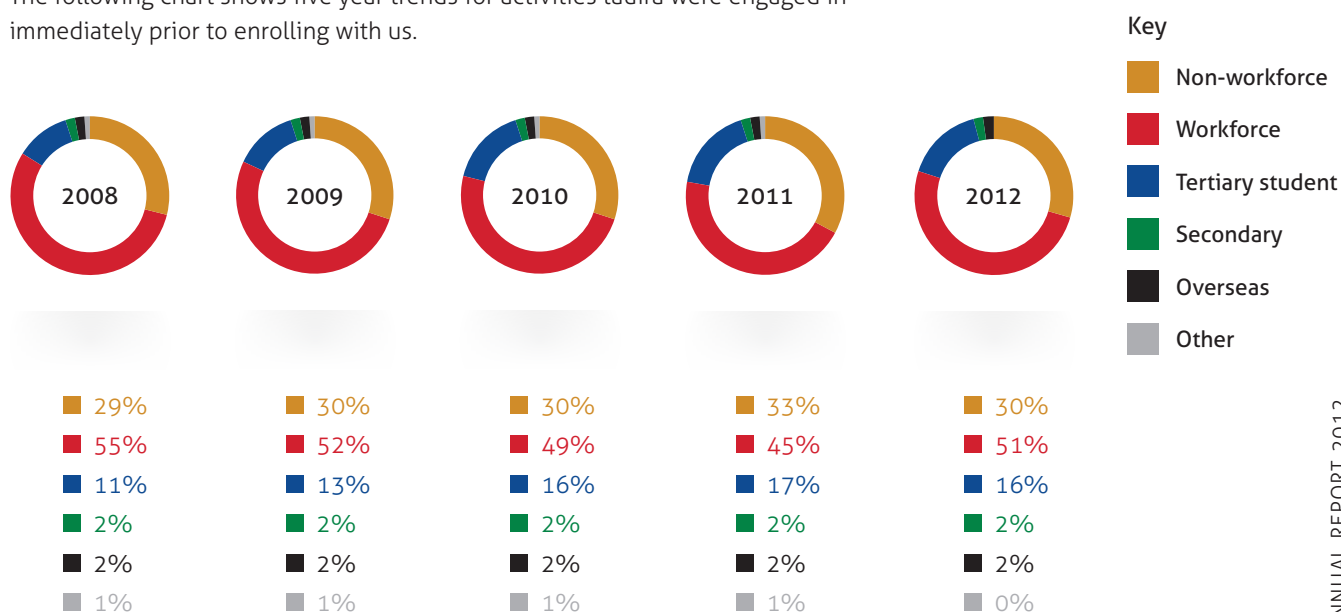
The following chart shows the five year trend for the proportion of taura enrolling with us who had not previously achieved a secondary qualification.

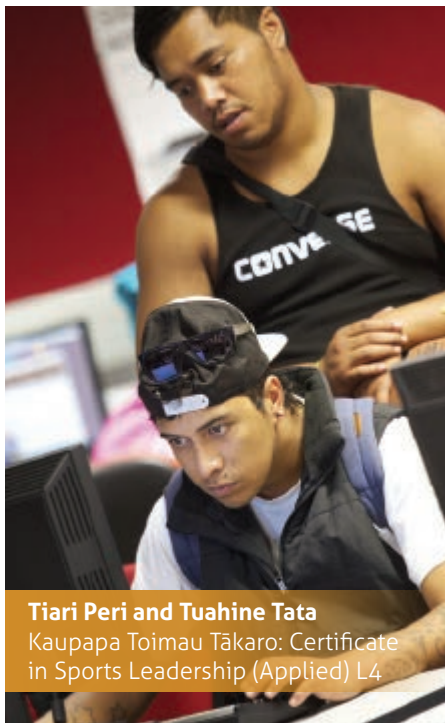


## Prior activity

Similar to previous years, 30% of our taura in 2012 were not in the workforce prior to enrolling with us. This figure does not include those studying at tertiary level (16%) and those at secondary school (2%) prior to enrolling. Adding these figures, nearly half our taura were not in the workforce prior to joining us.

The following chart shows five year trends for activities taura were engaged in immediately prior to enrolling with us.





**Tiari Peri and Tuahine Tata**  
Kaupapa Toimau Tākaro: Certificate  
in Sports Leadership (Applied) L4

Our kaimahi are drawn from the communities in which we operate, enabling us to maintain strong connections with our key stakeholders. These relationships provide us with the information we need to plan our offerings and infrastructure in each region. They also enable us to be responsive to the immediate needs of our people and to support the communities we serve.

Our commitment to ensuring equal opportunities for our tauira extends to ensuring equal opportunities for our kaimahi. As a responsible organisation, we provide family-friendly environments, flexible working options and support for kaimahi to undertake further studies that enable career progression.

Data presented in this section are drawn from the August 2012 Single Data Return.

### Full time equivalent employees

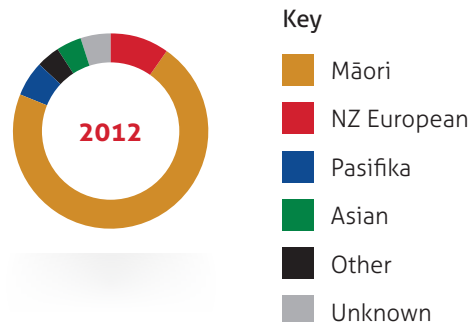
In 2012, we employed 1,299 full-time and part-time kaimahi across Aotearoa New Zealand, equating to 1,085.5 full-time equivalent (FTE) kaimahi. This is a decrease of 12.5 FTEs (1%) on 2011 numbers. The following chart shows the five year trend for FTE kaimahi numbers.

#### FTEs



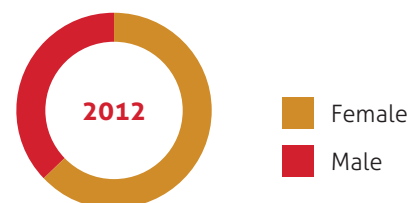
## Ethnicity

As a Māori organisation, we retain a high proportion of Māori and Pasifika kaimahi. The proportion of kaimahi Māori decreased by 1% to 72% during 2012, while the proportion of Pasifika kaimahi remained constant at 6%. The following chart shows our kaimahi ethnicity profile in 2012.



## Gender

Traditionally, our organisation has always maintained a high proportion of female kaimahi. This proportion increased by 2% to 63% in 2012. The following chart shows our kaimahi gender profile in 2012.



## Capability development

Te Wānanga o Aotearoa understands the importance of providing learning and development opportunities that equip and empower kaimahi to achieve excellence. By supporting kaimahi to expand their skills and knowledge, we ensure that our taura receive the knowledge, resources and support necessary for them to achieve their aspirations.

In 2012, our kaimahi attended 922 learning and development events. These ranged from workshops and training to conferences and academic study. The following table shows learning events attended by kaimahi in 2012.

Type	Total
Academic	124
External training	145
Internal training	588
Mentoring sessions	4
National conferences	51
International conferences	0
International professional development	1
International research	9
<b>Total</b>	<b>922</b>

*Note: These data are drawn from our training and development database.*

## Wānanga Ora

Each year, Te Wānanga o Aotearoa completes a kaimahi satisfaction survey called Wānanga Ora. The survey helps us gather information on kaimahi understanding of the organisation's strategic direction, values, goals, performance and satisfaction with management. In 2012, the survey response rate increased by 11.5% to 58.5% compared with the 2011 response rate.

Within the job satisfaction measures, 93.6% of kaimahi felt that their work was of significance to them, and 91.0% said they were proud to work for Te Wānanga o Aotearoa. Within the strategy section, 90.2% of kaimahi believed that Te Wānanga o Aotearoa delivers education that drives positive cultural, social and economic transformation, and 89.7% of kaimahi felt that Te Wānanga o Aotearoa reduces barriers to tertiary education.






Te ine  
**whakaritenga**  
Measuring  
our performance



Te Wananga o Aotearoa



# Te Huanganui

## Outcomes framework

Te Huanganui describes our organisation's achievements within a societal context, that is, the contributions we make as an embedded entity interacting with the communities within which we operate. The name Te Huanganui refers to the wider benefits or advantages that result from our work, but more literally, the fruits of our labours.

Te Huanganui describes our contributions across three levels: outputs, impacts and outcomes. Framework outputs describe the 'products' we deliver as a service provider of tertiary education. Impacts describe the affects our outputs have on our tauira, our stakeholders and those with whom they come into contact. Outcomes describe the longer term and larger affects eventually accrued by our society as a whole. Outcomes are aligned with the strategic attributes detailed in Te Rautakinga (our organisational strategic plan).

The following diagram shows the structure of Te Huanganui and the relationships between outputs, impacts and outcomes with connections to our strategic attributes.





# OUTCOME ONE

## Mātauranga Māori is enhanced and nurtured

Mātauranga Māori, including our language, our culture, and our heritage, forms the foundation, the framework and the substance of who we are as Māori, and guides us in our interactions with each other and with our environments. Mātauranga Māori offers a lens through which we view our world as we work to understand traditional, contemporary and emerging Māori knowledge bases and their inter-relationships<sup>1</sup>. Mātauranga Māori provides the foundation for Māori to succeed as Māori in Aotearoa New Zealand and as global citizens in the Twenty-first Century.

As a Māori organisation, we separate rangahau from definitions of research used in the narrow confines of Western empiricism. We are dedicated to the propagation and protection of rangahau Māori, and we support rangahau that informs our practice and builds our rangahau culture, capacity and competence. We also support rangahau that promotes te ao Māori and emancipates our people.

### Alignment with Te Rautakinga

The Mātauranga Māori outcome aligns with two of our 2030 strategic attributes:

- Te Wānanga o Aotearoa is steeped in te reo, tikanga and āhuatanga Māori with a worldwide reputation for creative and innovative approaches to indigenous learning and understanding
- we are a leading edge Māori and indigenous research organisation and a recognised repository of mātauranga Māori.

### Initiatives and projects

As a Māori organisation, we celebrate mātauranga Māori throughout our organisation on a daily basis through our activities, events and ways of being – it engenders who we are. We also nurture and enhance this knowledge through a range of initiatives and projects designed to promote te ao Māori within Te Wānanga o Aotearoa and externally. A few of the more high profile projects we engaged in during 2012 were:

- clarifying and strengthening the mātauranga Māori qualification pathway to promote engagement and encourage progression through National Qualifications Framework levels in this field

- strengthening the mātauranga Māori paradigm across Te Wānanga o Aotearoa and building rangahau capability throughout the organisation
- establishing and nurturing relationships with indigenous communities throughout the world, including hosting representatives from the Royal House of the Kingdom of Tonga, American First Nations communities, the Alaskan Native Policy Centre and Ka Honua Momona from Hawai'i.

### Output measures

Our core mātauranga Māori outputs protect, nurture and enhance this knowledge. Outputs that contribute to achievement of these outcomes include:

- delivering high-quality, relevant mātauranga Māori qualifications
- ensuring mātauranga Māori is embedded in qualifications, as well as our organisational approach
- promoting rangahau as a significant contributor to the store of mātauranga Māori.

During 2012, we achieved all targets attached to our mātauranga Māori output measures. Of note, our rangahau outputs increased substantially during the year. The variance between actual and target rangahau outputs resulted largely from WIPCE 2011 conference papers being published in 2012. The 2013 target remains realistic and achievable for us.

<sup>1</sup> Edwards, S. (2009). *Titiro Whakamuri kia marama ai te wao nei: Whakapapa epistemologies and Maniapoto Māori cultural identities*

The following table shows measures, targets and results for our mātauranga Māori outputs.

#	Measure	Achieved 2012	Target 2012	Target 2013
1.1	Number of EFTS successfully completing post-graduate mātauranga Māori qualifications at Te Wānanga o Aotearoa	0	0	0
1.2	Number of rangahau outputs	384	100	200
1.3	Proportion of taura who would recommend their programme to others	95%	95%	95%
1.4	EER records a rating of 'confident' or 'highly confident' against capability in self-assessment	Highly confident	Confident	Confident
1.5	EER records a rating of 'confident' or 'highly confident' against educational performance	Not assessed	Confident	Confident
1.6	EFTS consumption matches the Investment Plan agreement	-09%	+/-3%	99-105%

The target for measure 1.1, post-graduate mātauranga Māori qualifications, is set at 0 because the qualification (Te Waka Hīringa) will be delivered for the first time in 2013 with taura graduating at the end of 2014.

Results relating to our External Evaluation and Review, or EER (measures 1.4 and 1.5) are taken from our most recent review conducted in 2010. That review evaluated our rangahau capability, our strategic direction and our self-assessment capability – educational performance was not assessed on that occasion. Our next EER is scheduled for April 2013. Educational performance will be assessed as part of that review and results will be reported in Te Pūrongo 2013.

### Impact measures

Full impacts that result from mātauranga Māori outputs are more long-term by nature and will become fully evident as Te Huanganui is embedded across our organisation. Two targets were set for 2012 and both of these were achieved. The following table shows mātauranga Māori impacts, measures, targets and results for 2012.

Impact	#	Measure	Achieved 2012	Target 2012	Target 2013
Rangahau is respected and credible	1.7	Number of research outputs published in peer reviewed journals or delivered at conferences	113	Establish baseline	Increase
Te Wānanga o Aotearoa is respected by indigenous communities	1.8	Number of Māori and indigenous people travelling to Te Wānanga o Aotearoa to build their knowledge of mātauranga Māori and/or indigenous education	5 groups	Establish baseline	Increase
All New Zealanders are motivated to engage with mātauranga Māori	1.9	Successful qualification completion for mātauranga Māori programmes	67%	67%	69%
	1.10	Proportion of taura engaging in mātauranga Māori programmes at Te Wānanga o Aotearoa (programmes that sit in the mātauranga Māori pathway, including reo)	50%	30%	31%

We met our mātauranga Māori qualification completion target (measure 1.9). We also significantly exceeded our target for engaging taura in mātauranga Māori programmes (measure 1.10). Obviously, this is an encouraging result. However, the reason for the substantially increased interest in these programmes is not clear. We will investigate potential factors that contributed to the increase and adjust targets for future years as required.

### Outcome measures

Over time, because of the volume of taura we engage across Aotearoa New Zealand every year, we will contribute significantly to changes in rates of awareness and competence in mātauranga Māori. As we build our rangahau capability, we will also improve awareness and increase acknowledgement of te ao Māori as a respected field of knowledge for all New Zealanders. Within these endeavours, we will contribute to the resurgence of te reo Māori as we work to protect and nurture the taonga that is our language and our heritage.

Measures for mātauranga Māori outcomes target medium to long-term changes in the knowledge and use of te reo Māori across the country. Results for these measures are drawn from New Zealand Census data (last conducted in 2006) and Te Puni Kōkiri outcome indicators.

The following table shows measures, targets and results for mātauranga Māori outcomes in 2012.

Measure	Trend to date	Current	Target 2030
The proportion of the population in Aotearoa New Zealand who can hold a conversation in te reo Māori	→	4%	6%
The proportion of Māori who can speak some te reo Māori	→	24%	40%
A growing proportion of New Zealanders consider investment in science and innovation is a high priority	New measure		

The outcome measure of attitudes to investment in science and innovation is drawn from Ministry of Science and Innovation's Statement of Intent 2011-2014 – 'Promote the outcomes of science'.

## OUTCOME TWO

Cultural, social and economic  
prosperity are enhanced

Our programmes, our environments and the work of our kaimahi reinforce and strengthen our culture, establish social equality and support health, wealth and prosperity (or oranga) for all. We provide effective, relevant, culturally-embedded education that offers skills and knowledge to meet the rightful expectations of our taura for a reasonable quality of life and the chance to realise their dreams. We work towards these ends because we believe in a fairer and more equitable society in which all New Zealanders have access to opportunities that meet their needs, all New Zealanders are supported to succeed, and all New Zealanders are cared for in a way that reflects membership of a civilised society.

### Alignment with Te Rautakinga

The Oranga outcome aligns with five of our 2030 strategic attributes:

- Māori wellbeing has improved significantly as a result of our programmes, with Māori employment rates, income levels, and health and lifestyle measures greater than the national average
- Te Wānanga o Aotearoa has contributed to the critical thinking, learning agility, spiritual intelligence, emotional intelligence and analytical skills of taura
- Achievement rates amongst our taura surpass all other tertiary institutions and our graduates are respected and sought after in the community, public and private business sectors
- Te Wānanga o Aotearoa creates and uses innovative educational models to support cradle-to-cradle education
- Māori seek out freely accessible Māori programmes alongside other peoples of Aotearoa New Zealand who value living in a Māori, culturally-aware, respectful and sharing nation.

### Initiatives and projects

Our commitment to whānau transformation through education drives us to create innovative initiatives designed to raise the cultural, social and economic prosperity of our people. Although all activities within Te Wānanga o Aotearoa target these objectives, we continue to introduce new initiatives to augment our current practices. In 2012, a few of these projects included:

- developing the Ako Wānanga framework to embed Ngā Uara and Te Kaupapa in teaching, learning, taura support and service level practices throughout our organisation
- introducing new programmes designed to attract and engage priority learners and pathway them to meaningful qualifications and employment
- introducing new enrolment strategies to attract and engage priority learners and ensure appropriate fit between each taura and his/her programme
- ongoing monitoring of enrolment patterns to ensure EFTS consumption aligns with negotiated Investment Plan targets, particularly for priority learners.



## Output measures

Outputs related to Oranga ensure that Te Wānanga o Aotearoa continues to deliver high-quality, relevant qualifications. During 2012, we met or exceeded all measures assessed as part of our Oranga outputs.

The following table shows measures and results for Oranga outputs.

#	Measure	Achieved 2012	Target 2012	Target 2013
1.4	External Evaluation and Review reports 'confident' or 'highly confident' in capability in self-assessment	Highly confident	Confident	Confident
1.5	External Evaluation and Review reports 'confident' or 'highly confident' in educational performance	Not assessed	Confident	Confident
1.6	EFTS consumption aligns with the Investment Plan	- 0.09%	+/-3%	99-105%
2.1	Proportion of taura who are satisfied or highly satisfied	91%	91%	92%
2.3	Proportion of Māori SAC EFTS enrolled at Te Wānanga o Aotearoa	49%	49%	48%

As mentioned above, our most recent EER was conducted by NZQA in June 2010, and educational performance was not considered as part of that review. An EER to be conducted in April 2013 will provide up-to-date data for these measures and will be reported in Te Pūrongo 2013.

Taura satisfaction data (measure 2.1) are drawn from the Kāpuia Graduate Community Survey question, 'Did your programme of study meet your expectations?' Ninety-one per cent of respondents answered, 'Yes'.

## Impact measures

In 2012, we achieved all targets for impacts resulting from Oranga outputs with the exception of the measure for taura following a pathway to higher education (recorded 35% against a target of 39%). We are dedicated to encouraging our taura to engage in a journey through tertiary education that will help them achieve their dreams. In the coming years, we will continue to consult with our stakeholders to identify new programmes that will strengthen pathways of learning through our organisation and offer enticing opportunities for taura to remain engaged in tertiary education.

The following table shows impact measures, targets and results for the cultural, social and economic prosperity outcome in 2012.

Impact	#	Measure	Achieved 2012	Target 2012	Target 2013
Taura and their whānau are engaged in education	1.	Proportion of taura who would recommend their programme to others	95%	95%	95%
	2.4	Proportion of graduates who gain employment or additional responsibility in employment or in the community	62%	62%	63%
Graduates are sought after by the community and business sectors	2.5	Taura retained in study	71%	70%	72%
	2.6	Proportion of taura following a pathway to higher education	35%	39%	42%
	2.7	Course completion rates	80%	79%	80%
	2.8	Qualification completion rates	72%	71%	75%
Graduates are secure and confident in mātauranga Māori	2.9	Proportion of taura who confirm an increased understanding of mātauranga Māori	Not assessed	Establish baseline	Increase

Graduate employment and additional responsibility data (measure 2.4) are drawn from the Kāpuia Graduate Community Survey question, 'Did studying at Te Wānanga o Aotearoa improve your employment opportunities?' Sixty-two per cent of respondents answered, 'Yes'.

We were not able to assess the proportion of tauira confirming an increased understanding of mātauranga Māori because the 2012 Tauira Survey (used to gather these data) had already been conducted when the measure was developed. A question to gather data for this measure will be included in future annual tauira surveys.

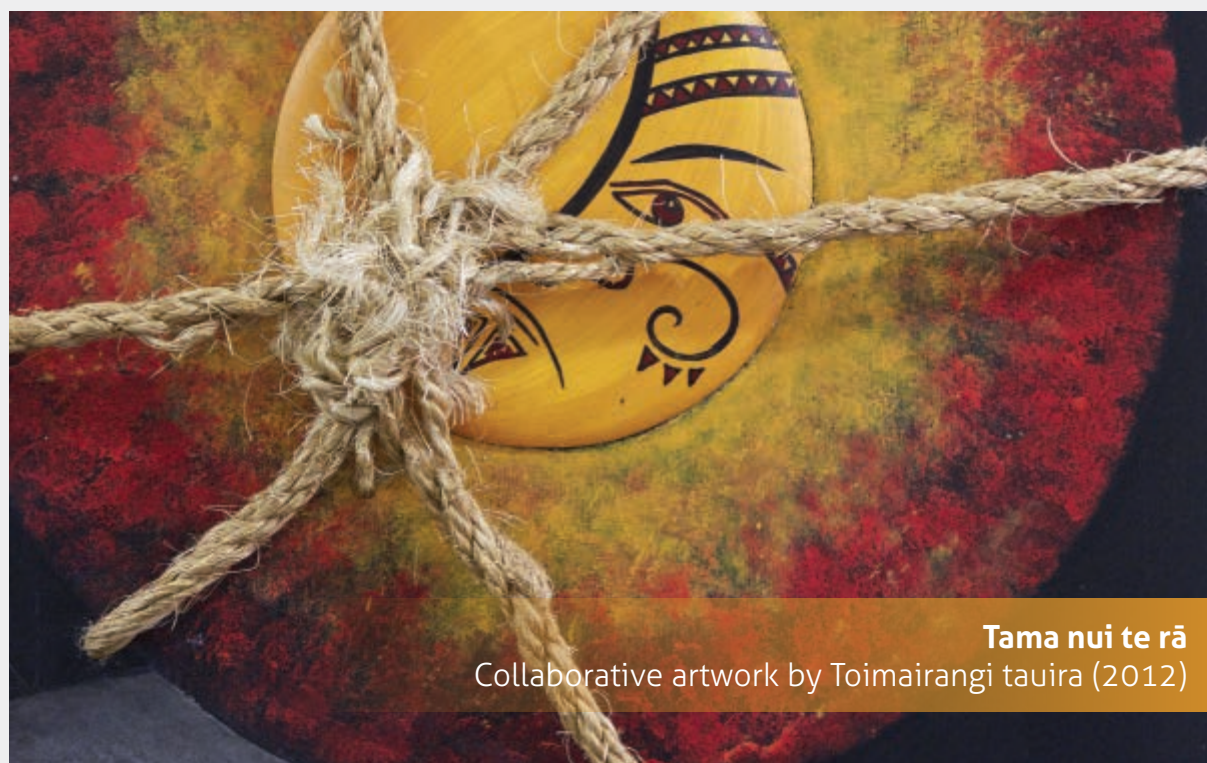
### Outcome measures

The cultural, social and economic prosperity outcome includes strategies that address the negative health and welfare statistics associated with Māori and Pasifika populations throughout Aotearoa New Zealand. Our aim is to contribute to significant improvements in these statistics as we continue to address disparities between Māori and non-Māori within our society. At the same time, however, we are an inclusive organisation. Therefore, we aim to contribute to improvements in the quality of life and happiness of all New Zealanders as we move forwards together to make our world a better place.

The following table shows measures, targets and trends related to the cultural, social and economic prosperity outcome.

Measure	Trend to date	Current	Target 2030
The difference between the weekly median income for Māori and Europeans in New Zealand	↑	-\$121 (2011)	-\$50
The proportion of Māori satisfied with life overall	→	83% (2010)	88%
The proportion of all New Zealanders satisfied with life overall	→	87% (2010)	88%

Median income data are drawn from Statistics New Zealand's Income Survey. Overall life satisfaction data are drawn from The Social Report – Te Pūrongo Oranga Tangata: Social Indicators for New Zealand released by the Ministry of Social Development.



# OUTCOME THREE

## Kaitiakitanga is secured

As a future-focused organisation, we are committed to ensuring our own future and protecting our natural environment. Beyond bricks and mortar, Te Wānanga o Aotearoa is the manifestation of our collective efforts to provide a nurturing and supportive learning environment that meets the needs of our people. We place huge value on the efforts of those who have gone before us and we recognise our organisation as a taonga (or treasure) – a mark of deep respect and an acknowledgement of the sacrifices our predecessors made for us in a spirit of service.

The natural environment, too, is considered a taonga. Our connections with the land, the water and the air are embedded deep within our culture, within our worldview and within our ways of being. Our complete reliance on the biosphere demands that we make significant efforts to protect our planet. We do this because we value the lives of those who will follow us and we wish to honour them with an inheritance worthy of the name.

Kaitiakitanga describes our efforts to fulfil our obligations and meet our objectives for sustainability of these taonga.

### Alignment with Te Rautakinga

The Kaitiakitanga outcome aligns with three of our 2030 strategic attributes:

- Te Wānanga o Aotearoa respects Papatūānuku in urban and natural settings and seeks opportunities to rejuvenate our environment to create a sustainable future for our tamariki and mokopuna
- Te Wānanga o Aotearoa has strategic relationships with iwi and other stakeholders that include equity investments in collaborative ventures resulting in positive outcomes for Māori and peoples of Aotearoa
- Te Wānanga o Aotearoa is a current, agile and financially sustainable organisation with significant funds available to be used to further its mission.

### Initiatives and projects

Our commitment to Kaitiakitanga reaches into every corner of our organisation. Kaitiakitanga encourages our kaimahi to make the most of limited resources and to be creative and innovative in their use of these resources. Kaitiakitanga exhorts kaimahi to contribute to the best of their ability in support of our tauira and our organisation in alignment with Ngā Uara and Te Kaupapa.

The following are a few of the more significant Kaitiakitanga projects we engaged with during 2012:

- development of Rautaki Taiao, our organisational environmental management system
- development and promulgation of the Ako Wānanga framework to further embed Te Kaupapa throughout our organisation.

### Output measures

Outputs for Kaitiakitanga are those that ensure our organisation continues to operate in a financially sustainable and socially responsible manner. These outputs are core to our values as we seek to nurture and support the communities within which we operate and to fulfil our mission to make contributions of consequence, to care, and to make our world a better place. During 2012, we achieved all Kaitiakitanga output targets that were assessed.

The following table shows measures and results for Kaitiakitanga outputs.

#	Measure	Achieved 2012	Target 2012	Target 2013
1.4	EER reports 'confident' or 'highly confident' in capability in self-assessment	Highly confident	Confident	Confident
1.5	EER reports 'confident' or 'highly confident' in educational performance	Not assessed	Confident	Confident
3.1	Risk rating under the Financial Monitoring Framework	Low	Low	Low
3.2	The proportion of the Rautaki Taiao plan that is implemented	0	0	25%
3.3	Number of joint ventures with iwi, TEIs, industry and community	17	17	17

As noted in the Mātauranga Māori and Oranga output results, EER results are taken from our most recent review (conducted in 2010) during which educational performance was not measured. Results for measure 1.5 will be reported in Te Pūrongo 2013 after the April 2013 EER is completed by NZQA.

### Impact measures

Impacts resulting from Kaitiakitanga outputs demonstrate our connectedness with the communities within which we work. They also demonstrate our ongoing provision of accessible, engaging and supportive education that meets the needs of our taura. A key measure of our success in these endeavours is the extent to which we eliminate barriers to entry for at-risk taura. We define 'at risk' as taura who record one or more of the following variables: no school qualification, a physical impairment, older than 35 years, and/or Māori or Pasifika.

In 2012, we substantially exceeded our target for attracting, providing access for, and supporting at-risk taura. Ninety-two per cent of our taura were classified as at-risk against a target of 30%. This variance was unexpected, but clearly shows the success of Te Wānanga o Aotearoa at eliminating barriers to entry, and providing study options and support for these taura. We will continue to identify and offer support to these priority learners in the future.

During 2012, we did not achieve our target for attracting taura Māori (achieving 48% against a target of 52%). Enrolment of taura Māori has been trending upwards over recent years; however, in 2012 we retired a number of qualifications that had reached the end of their life cycle, stalling this trend. We are currently strengthening our mātauranga Māori programme pathway, which should increase numbers of taura Māori being attracted to our organisation.

Our efforts to protect and nurture our natural environment led us to initiate a project that integrates a number of existing ad hoc environmental projects under a single umbrella called Rautaki Taiao. Still in the initiation phase, we will begin implementation of this project in 2013 (see output measure 3.2) and we expect to see energy and waste reduction targets being met from 2014 onwards.

Iwi and stakeholder satisfaction was not assessed by Te Kāhui Amorangi (our iwi consultation board) during 2012. Consequently, we are not able to provide a result for this measure. Development of a mechanism to measure this impact is part of the work programme for Te Kāhui Amorangi in 2013.



Impact	#	Measure	Achieved 2012	Target 2012	Target 2013
Access to education is maintained for stakeholders	3.4	Proportion of at-risk taura who are provided with options to reduce barriers to entry	92%	30%	35%
	3.5	Proportion of taura Māori enrolled at Te Wānanga o Aotearoa	48%	52%	53%
Increased community and organisational awareness of protecting Papatūānuku	3.6	Reduction targets from the Rautaki Taiao plan for energy and waste are achieved	0	0	0
Relationships with iwi and stakeholders return benefits for all parties	3.7	Iwi and stakeholders express satisfaction with Te Wānanga o Aotearoa	Not assessed	70%	72%

### Outcome measures

Contributions to societal outcomes in relation to Kaitiakitanga include raising the educational level of all New Zealanders while helping reduce our impact on the planet. Data and environmental outcomes are drawn from the Ministry for the Environment's Statement of Intent (measure1(i)), while educational outcome results are taken from the government's Better Public Service targets.

The following table shows measures, targets and trends related to the Kaitiakitanga outcome.

Measure	Trend to date	Current	Target 2030
Trend in greenhouse gas emissions and removals in the annual greenhouse gas inventory	↓	Unknown	↓
Proportion of 18-25 year olds with NCEA level 2 or equivalent	→	68%	85%
Proportion of 25-34 year olds with advanced trade qualifications, diplomas and degrees (at level 4 and above)	→	52%	55%

# Ngā kī taurangi Statement of service performance

## Our goals and objectives

Our Investment Plan (negotiated with the Tertiary Education Commission every two years) describes our service performance commitments for each year. The investment plan negotiation process reflects a collaborative relationship between the Government and Te Wānanga o Aotearoa as we work together to achieve our goals for tertiary education, for our communities of interest and for our wider society.

Our goals and targets for 2012 are recorded in our Investment Plan 2010-2012. This section celebrates the success of our tauira and kaimahi, and all who contributed to the achievements of our goals in 2012.

## New measurement method

In 2010, the Tertiary Education Commission introduced a new method for calculating educational performance indicators (EPIs), including course completion, retention and progression, as well as a new indicator to measure qualification completion. These new measures are not compatible with our previous measures and, consequently, we present results for the past three years only (rather than five-year trends) in this section.

## Comparative results

Where possible, data for 2010 and 2011 are reported for comparative purposes. Data for 2011 shown in this report are drawn from the final April 2012 single data return and may vary from those reported in Te Pūrongo 2011 (which was produced prior to the single data return).

## Attracting and engaging priority learners

Since inception, Te Wānanga o Aotearoa has created opportunities for those whose needs are not met in the mainstream education system. In the past, this has included Māori and Pasifika taura and those whose interests do not lie in the relatively narrow curricula taught at secondary schools. These people continue to make up a large proportion of our taura population.

### Our people

Although we understand the significant wage premium attached to degree-level study, and the Government's drive to increase participation in higher level tertiary study, we remain acutely aware of the unmet and ongoing extreme need for foundation-level tertiary education across Aotearoa New Zealand. One-third (33.1%) of our taura come to us without qualifications. Many require significant help to build a foundation of skills before they are ready to embark on higher level study. These people remain a key target audience for us.

The majority of our taura are at least 40 years of age and have come to realise (through their life experiences) the value of tertiary education. Although much work remains with this older age group, we also acknowledge the importance of engaging taura at a younger age. We understand that, if we can engage taura as they leave school, we can prevent decades of disengagement from the tertiary education system. We also understand that engaging taura earlier prevents years of unemployment or underemployment and the associated negative consequences of this. For these reasons, under-25 year olds are also a significant priority learner group for us.

### Our strategies

Our strategies remain unchanged in meeting the needs of our priority learners (Māori, Pasifika and under-25 year old learners) and other key stakeholders. We will continue to:

- provide avenues for rangatahi to experience tertiary education in multiple contexts prior to enrolling
- offer qualifications that attract priority learners
- maintain a low or no fees approach to eliminate financial barriers to engagement

- maintain national delivery with multiple delivery options (face-to-face, noho and home-based learning)
- deliver a wide range of qualifications at NQF levels 1 to 3 to help re-engaged learners build confidence
- provide clear and continuous programme pathways from foundation through to degree-level study.

In alignment with the Tertiary Education Strategy, we also aim to increase the proportion of taura studying at level 4 and above.

### Our success

During 2012, Te Wānanga o Aotearoa performed well against its performance targets for attracting priority learners. We exceeded our overall aims for engaging under-25 year old taura (13% against a target of 11%) and Pasifika taura (10% against a target of 10%). We also came within one per cent of achieving our target for taura Māori (49% against a target of 50%).

More significantly, we exceeded targets for enrolling taura at level 4 and above across all priority learner groups. We credit this achievement to a host of recently introduced programmes in combination with moves to strengthen and clarify programme pathways. Other contributing factors include successful targeted marketing strategies and our solid reputation for delivering high-quality, well-supported, engaging education within Māori and Pasifika communities.

The following table shows proportions of EFTS consumed by Māori, Pasifika and under-25 year old learners as a proportion of total EFTS consumed by Te Wānanga o Aotearoa during 2012.



Indicator	NQF Level	Achieved 2010	Achieved 2011	Achieved 2012	Target 2012	Target 2013
Proportion of SAC eligible EFTS enrolled at the TEO who are Māori	Level 1 to 3	27%	26%	22%	28%	23%
	Level 4 and above	25%	27%	27%	22%	30%
Proportion of SAC eligible EFTS enrolled at the TEO who are Pacific peoples	Level 1 to 3	6%	6%	5%	7%	6%
	Level 4 and above	4%	5%	5%	3%	5%
Proportion of SAC eligible EFTS enrolled at the TEO who are aged under 25	Level 1 to 3	8%	8%	7%	8%	9%
	Level 4 and above	6%	6%	6%	3%	7%

In 2013, we will continue to target priority learners and encourage them to engage in higher level education as part of our ongoing commitment to whānau transformation through education. We take this commitment seriously because we are fully aware of the significant impact education can play in mitigating the often negative health and welfare statistics associated with the groups within which we work.



**Liam Ramea**

Certificate in Sports Leadership (level 4)  
at Tokoroa Campus

## Supporting priority learners to succeed

Support structures at Te Wānanga o Aotearoa flow naturally from Ngā Uara (the values of our organisation): aroha (love); te whakapono (integrity); ngā ture (lore and the law); and kotahitanga (unity or togetherness). These values are supported by the Ako Wānanga framework, which describes the philosophy, theory and applied educational practice of teaching and learning at Te Wānanga o Aotearoa.

Ako Wānanga includes the elements whanaungatanga (respectful relationships and connections); ako (living, learning and teaching); aro (reflective practice); and te hīringa (spirituality, passion and motivation). These elements have led us to develop a range of initiatives that support our taura to succeed in their learning journeys. Initiatives include:

- identifying taura support needs early and putting in place support structures that will assure success
- establishing expectations and parameters with taura at the start of each programme and supporting taura to achieve the expectations within the parameters
- offering flexible and versatile learning options that fit around the lifestyles of our taura rather than demanding that they fit their lives around our needs
- providing proactive and visible learner support strategies with rapid intervention
- monitoring academic and pastoral support needs on an ongoing basis throughout each programme.

### Successful course completion

Course completion rates reflect the achievements of our taura, as well as providing an indication of the effectiveness of our teaching and learning strategies and taura support systems. In this context, a 'course' is a component of study that makes up a qualification. For those taura completing multi-year qualifications, course completion rates provide an interim view of taura achievement.

As in previous years, Te Wānanga o Aotearoa exceeded all its course completion targets for all taura groups (including priority learners) across all NQF levels. Taura substantially exceeded our whole-of-organisation course completion target, recording 80% success against a target of 74%.

Our priority learners, too, performed well, particularly those at level 4 and above. Taura Māori studying at higher levels exceeded their target by 8%, Pasifika taura by 9%, and under-25 year olds by 11%. This is an outstanding result and we look forward to celebrating graduations with these taura in 2013 and beyond.

Full course completion rates for taura studying at Te Wānanga o Aotearoa in 2012 were as follows:

Indicator	NQF Level	Achieved 2010	Achieved 2011	Interim 2012	Target 2012	Target 2013
Successful course completion rate for all taura (SAC eligible EFTS)	All levels	76%	79%	80%	74%	81%
	Level 1 to 3	77%	80%	80%	76%	81%
	Level 4 and above	76%	79%	80%	72%	82%
Successful course completion rate for taura Māori (SAC eligible EFTS)	Level 1 to 3	71%	74%	76%	71%	77%
	Level 4 and above	76%	76%	78%	70%	78%
Successful course completion rate for Pasifika taura (SAC eligible EFTS)	Level 1 to 3	78%	78%	76%	74%	80%
	Level 4 and above	75%	82%	80%	71%	83%
Successful course completion rate for taura (SAC eligible EFTS) aged under 25	Level 1 to 3	68%	70%	72%	63%	72%
	Level 4 and above	70%	75%	76%	65%	77%

Note: Interim results are subject to validation by the Tertiary Education Commission following submission of our final single data return.

Our projections for 2013 indicate increases in course completion rates of between 1% and 4% across all indicators. Once again, these improvements are projected based on a range of initiatives currently being implemented at Te Wānanga o Aotearoa. Key amongst these are the implementation of Ako Wānanga and a range of new enrolment processes designed to ensure tauira are enrolled appropriately and provided with all necessary support.

### Successful qualification completion

Qualification completion indicators provide a longer term view of tauira achievement. A qualification is made up of a number of courses delivered over a period of time that can range from 18 weeks to a number of years. Tauira who complete qualifications are more likely to gain employment, earn higher incomes and achieve their career goals.

Overall, our tauira exceeded organisational qualification completion targets by 5% (72% against a target of 67%). Priority learners studying at level 1 to 3 substantially exceeded their qualification completion targets: tauira Māori exceeded their target by 14%, Pasifika tauira by 8% and under-25 year olds by 13%. Indicators for tauira studying at level 4 and above were impacted heavily by the introduction of new three-year qualifications. Tauira on these programmes will not record a qualification completion until completing their final year, starting at the end of 2014. This affected the overall qualification completion rate for tauira studying at level 4 and above as well as rates for all priority learners.

Successful qualification completion rates for tauira studying at Te Wānanga o Aotearoa in 2012 were as follows:

Indicator	NQF Level	Achieved 2010	Achieved 2011	Interim 2012	Target 2012	Target 2013
Qualification completion rate for all tauira (SAC eligible EFTS)	All levels	66%	71%	72%	67%	73%
	Level 1 to 3	70%	75%	76%	64%	75%
	Level 4 and above	60%	67%	66%	70%	71%
Qualification completion rate for tauira Māori (SAC eligible EFTS)	Level 1 to 3	63%	69%	72%	58%	71%
	Level 4 and above	54%	62%	61%	66%	71%
Qualification completion rate for Pasifika tauira (SAC eligible EFTS)	Level 1 to 3	71%	72%	71%	63%	75%
	Level 4 and above	65%	75%	64%	78%	76%
Qualification completion rate for tauira (SAC eligible EFTS) aged under 25	Level 1 to 3	58%	59%	66%	53%	59%
	Level 4 and above	56%	56%	58%	61%	57%

Our projections for 2013 indicate increases in qualification completion rates of between 1% and 10% across all indicators. Once again, these improvements are projected based on a range of initiatives currently being implemented at Te Wānanga o Aotearoa. Key amongst these are the implementation of Ako Wānanga and a range of new enrolment processes designed to ensure tauira are enrolled appropriately and provided with all necessary support.



### Supporting the educational journey

Although a reasonable proportion of our tauira come to us with little academic experience and often little idea of what tertiary education is able to offer them, we encourage all of our tauira to engage on an educational journey that will help them achieve their dreams. We use two key measures to assess our success at supporting tauira to continue with their studies: tauira progression and tauira retention.

Tauira progression measures the proportion of tauira studying at level 1 to 3 who, after completing a qualification with Te Wānanga o Aotearoa, progress to study at a higher level with any institution. Tauira retention shows the proportion of tauira who, after successfully completing a programme with Te Wānanga o Aotearoa, enrol on a subsequent programme with us.

In 2012, our tauira exceeded our organisational tauira retention rate by 8%, achieving 73% against a target of 65%. We also achieved our tauira progression rate of 40%.

The following table shows retention and progression rates for all tauira across all levels of study. Results for previous years and targets for 2013 are included for comparative purposes.

Indicator	Achieved 2010	Achieved 2011	Interim 2012	Target 2012	Target 2013
Progression rate for tauira (SAC eligible EFTS) at levels 1 - 3	40%	38%	40%	40%	45%
Retention rate for all tauira (SAC eligible EFTS)	68%	73%	73%	65%	73%

*Note: Interim results are subject to validation by the Tertiary Education Commission following submission of our final single data return.*

Tauira progression and retention remain key areas of focus for Te Wānanga o Aotearoa as we continue to work towards our goal of whānau transformation through education. In the coming years, we will continue to refine pathways of learning through our organisation and ensure these are clearly visible to our tauira. We will also improve the visibility and availability of academic advice and information that enables tauira to choose the next steps on their educational journeys.

# Ensuring the longevity of our organisation

In addition to being dedicated to excellence in teaching and learning, we also remain aware of the importance of ensuring the longevity of Te Wānanga o Aotearoa to ensure it is available to future generations.

## Financial health

Among the many measures we use to assess the health of our organisation is the Tertiary Education Commission's Financial Monitoring Framework (introduced in 2011). This framework provides an organisational rating that ranges from low through moderate to high financial risk.

In 2012, the Tertiary Education Commission assessed Te Wānanga o Aotearoa as being 'low risk'. The following table shows ratings for 2012 with the rating for 2011 and the 2013 target included for comparative purposes.

Indicator	Achieved 2011	Achieved 2012	Target 2012	Target 2013
TEO risk rating against the Financial Monitoring Framework	Low	Low	Low	Low

## Literacy and numeracy

Te Wānanga o Aotearoa is also assessed against the extent to which literacy and numeracy skills are embedded in our level 1-3 programmes (excluding te reo Māori qualifications). Literacy and numeracy are key skills that contribute to taura success in tertiary education, as well as in society.

In 2011, we introduced an initiative called Te Whakapahuhu Kahukura – a mechanism to ensure all level 1-3 programmes contained embedded functional, critical, and cultural literacies. In 2012, this initiative reached completion with essential literacies being embedded in all necessary level 1-3 programmes across Te Wānanga o Aotearoa.

The following table shows the progress of Te Whakapahuhu Kahukura over the past three years.

Indicator	Achieved 2011	Achieved 2012	Target 2012	Target 2013
Proportion of level 1-3 courses offered that contain embedded literacy and numeracy	73%	100%	70%	N/A

## Supporting quality research to help drive innovation

We take seriously our obligation to advance mātauranga Māori, and we recognise that increasing rangahau activities related to, or within the paradigm of, mātauranga Māori is a key way of doing this.

### Key rangahau events in 2012 included:

- **Hua parakore food sovereignty symposium** – Symposium delegates considered issues of global food sovereignty. Among the delegates was a group from Hawai'i, which is currently involved in food sovereignty issues.
- **Tainui rangahau conference** – The role of spirituality in transformation through education key note presentations included the principled practices of working with whānau and the spirituality implicit in Te Tiriti o Waitangi.
- **Research activity** – He Pātaka Tāngata, He Pātaka Kai 2012 (our research register) acknowledges 177 publications of rangahau outputs and completion of 207 scholarly activities (conference presentations, exhibitions and performances). Copies of He Pātaka Tāngata, He Pātaka Kai 2012 are available from Te Puna Mātauranga (the head office) of Te Wānanga o Aotearoa.





**Te Rua Everitt**

Kaiako - Toi Paemataua: Whakairo (Level 5) at Manukau Campus





**Tengako Tetawera**

Kaiako - Te Arataki Manu Kōrero

# Ngā mahi whakahaere | Governance



# Ngā mema o Te Mana Whakahaere

The makeup of our council is determined by the constitution of Te Mana Whakahaere. Our council representatives come from a broad range of backgrounds and are selected for the wisdom and value they contribute to the strategic direction and governance of Te Wānanga o Aotearoa.



**RICHARD BATLEY**

**Chair**  
**Co-opted Member**  
Ngāti Tama, Ngāti Maniapoto,  
Waikato, Raukawa  
CA, BMS

With a long history of experience at senior levels in government and the private sector, Richard brings a wealth of management and governance experience to his role as Chair of Te Mana Whakahaere. Richard also sits on two sub-committees of council: Te Ārai Tūpono and the Executive Committee.

**General disclosure of interests:**

Director – Open Wānanga;  
Advisor – Taumarunui Community Kōkiri Trust; Consultant – Te Puni Kōkiri; Consultant – Toiora PHO.



**DR TOBY CURTIS**

**Deputy Chair**  
**Co-opted Member**  
Ngāti Rongomai, Te Arawa  
PhD, MA (Hons), BA, Dip Tchg

A Fulbright Scholar, Dr Curtis is an associate fellow of the New Zealand Institute of Management (AFNZIM), a fellow of the New Zealand Administration Society (FNZEAM), a fellow of the Commonwealth Council of Educational Administration and Management (FCCEAM) and an Emeritus Associate of Auckland University of Technology (EAAUT). Dr Curtis also sits on the Executive Committee of Te Mana Whakahaere.

**General disclosure of interests:**

Chairperson – Whānau Ora (Te Arawa Region); Chairperson – Te Arawa Lakes Trust; Director – Curtis Consulting Limited; Chairperson/Director – Taiaorangi Renewable Energy Ltd; Deputy Chairperson – Rotorua Te Arawa Lakes Strategy Group.



**LLOYD ANDERSON**

**Co-opted Member**  
**Registered Comprehensive Nurse, Dip Dairy Farming, Adv Cert in Te Ara Reo Māori**

Lloyd is a longstanding member of Te Mana Whakahaere, having joined and served on the council continuously since 1993. Lloyd's governance experience extends to a variety of educational and community organisations. He is a member of Te Ārai Tūpono.

**General disclosure of interests:**

Director: Open Wānanga;  
Vice Chairperson: Te Awamutu Area Committee; St John Ambulance Association member.



**DEIRDRE DALE MNZM, JP**

**Ministerial Appointment BA (SocSci)**

Deirdre has extensive experience in the tertiary education sector and has served as a commissioner on the board of the Tertiary Education Commission. She advises organisations, government departments and regulatory bodies on tertiary education and training matters. Deirdre also sits on Te Ārai Tūpono.

**General disclosure of interests:**

Chairperson: Whitireia Foundation; Chairperson: Whitireia Performing Arts Trust.

# Council members



**MANAOTERANGI FORBES**

Co-opted Member  
Ngāti Maniapoto, Tainui  
DipTchg, Dip in Te Arataki  
Manu Kōrero

Mana is a longstanding member of Te Mana Whakahaere and has served the organisation in a variety of roles for many years. He has broad experience in the educational sector and has served on boards for national and international educational institutions.

**General disclosure of interests:**

Chairperson: Tai Wānanga Establishment Board;  
Trustee: Aotearoa Scholarship Trust; Trustee: International Indigenous Graduate Institute.



**ASSOCIATE PROFESSOR DR MANUKA HENARE**

Ministerial Appointment  
Te Rarawa, Te Aupōuri, Ngāti Kuri  
PhD, BA (Hons) (VUW)

Dr Henare is Associate Dean of Māori and Pacific Development at the University of Auckland Business School and a founding director of the Mira Szásky Research Centre. He is also Academic Coordinator of the Huanga Māori Graduate Programme, Graduate School of Enterprise, and University of Auckland Business School.

**General disclosure of interests:**

Council member: Manukau Institute of Technology; Council Member: Advisory Group – Te Wānanga o Hoani Waititi.



**TANIA HODGES JP**

Ministerial Appointment  
Ngāti Pahauwera, Ngāti Ranginui, Ngāti Hauā, Ngāti Tūwharetoa  
MBA (with Distinction),  
GradDipMgmtStud, GradDip Te Reo Māori, PGCBR, BSocSci, RPN

Tania has considerable experience in governance and as a consultant on funding, contracting, strategy, change management, Māori/iwi relationships, leadership, and workforce and community development. She is a member of the Executive Committee.

**General disclosure of interests:**

Director/Shareholder: Digital Indigenous.com Ltd.; Trustee/Shareholder: Whanau.com Trust; Co-chair: Waikato Whānau Ora Regional Leadership Group; Deputy Chair: Ngāti Pahauwera Development & Tiaki Trusts; Director: Ngāti Pahauwera Commercial Development Ltd., Ngāti Pahauwera Development Custodian Ltd., Ngāti Pahauwera Tiaki Custodian Ltd.



**JO HYMERS**

Tauira Representative  
(to August 2012)

Jo's professional background is in information technology, advocacy and representation. She has worked to support students in their learning environments since 2003.

Jo is a member of Te Rautiaki Mātauranga.

**General disclosure of interests:**

None

# Ngā mema o Te Mana Whakahaere

## Council members



**PETER JOSEPH**

**NZCTU Nominated Member**  
Te Arawa, Tūhourangi, Ngāti  
Pikiao

Peter has served in a number of leadership positions in the tertiary sector and has developed extensive experience in this field. His career spans the private and public sectors as well as community and not-for-profit sectors.

**General disclosure of interests:**

Chief Executive: TIASA; Chairman: Aotearoa Māori Women's Rugby Sevens; Selector/Coach: Aotearoa Māori Women's Sevens Team.



**NICHOLAS MANUKAU**

**Tauira Representative**  
(from September 2012)  
Tainui  
BSc, DipEnvMgt

With a background in fisheries and the environment, Nicholas believes in learning 'on the pa' as well as in the Pākehā world. In recent years, he has been working with iwi across the motu on fisheries and aquaculture matters. Nicholas believes educating our rangatahi is paramount.

**General disclosure of interests:**

Consultant: Waikato-Tainui/ Ministry of Primary Industries; Consultant: Te Ohu Kaimoana Trustee Limited.



**JUNE MCCABE**

**Ministerial Appointment**  
Ngāpuhi, Te Rarawa, Te  
Aupōuri, Ngāti Kahu, Ngāti  
Kahurau  
MBA

June's governance experience extends into public, private and not-for-profit organisations. She also has considerable experience in senior managerial positions in the corporate sector. June is a member of the Executive Committee.

**General disclosure of interests:**

Director on the following boards: Sustainable Prosperity (NZ) Ltd, Open Wānanga, Avanti Finance Ltd, Galatos Finance Ltd, Te Waka Pupuri Pūtea Northland District Health Board, Procure Health Ltd; Member: Māori Economic Development Panel.



**BENTHAM OHIA**

**Te Pouhere (CEO)**  
Ngāi Te Rangi, Ngāti Pūkenga,  
Ngāti Ranginui, Te Āti Awa,  
Ngāti Rārua  
MBA, BA, Dip Tchg

Bentham has dedicated his career to the education sector and has taught in, managed and led educational institutions. Bentham continues to serve on a wide range of national and international boards and organisations that support the advancement of indigenous people, education and business.

**General disclosure of interests:**

Director: Open Wānanga; Member of the following boards: Americans for Indian Opportunity, and Waikato-Tainui College for Research and Development; President: Advancement of Māori Opportunity; Member: Te Taihū o Ngā Wānanga and Waikawa Marae.





**MARIE PANAPA JP**

General Staff Representative  
Te Ātiawa, Taranaki  
BEd (Massey)

Marie has been with Te Wānanga o Aotearoa as a kaiako and kaimahi for 27 years and has extensive experience in community and educational organisations. As one of the founding leaders of Te Wānanga o Aotearoa, she is a vigorous advocate of the importance of education. Marie is a member of Te Ārai Tūpono and Te Rautiaki Mātauranga.

**General disclosure  
of interests:**

None



**RAUKURA ROPIHA**

Academic/Tutorial Staff  
Representative  
(from November 2011)  
BML, BMM, Dip Te Reo,  
DipDA, DipMS

Raukura is passionate about education and meeting the needs of tauira. She has served on boards representing rangatahi.

**General disclosure  
of interests:**

None



**COLLEEN TUUTA**

(from August 2011)  
Co-opted Member  
Ngāti Mahuta, Ngāti Mutunga,  
Te Ātiawa, Taranaki

Colleen has extensive governance experience in the areas of health, banking and education.

**General disclosure  
of interests:**

Director: Albatross Enterprises Ltd.; Board Member: Taranaki District Health Board; Elected Board Member: Te Rūnanga o Ngāti Mutunga; Trustee: New Plymouth Girls High School Board, Mahia Mai a Whaitara, and Inspiring Communities Exchange; President: Te Pikinga Aio Society ki Taranaki; Committee member on the following: Takatini, Philanthropy New Zealand – Māori Advisory Committee, Wisdom Village – Think Tank; Advisor: New Zealand Families Commission – Whānau Reference Group.



**REVEREND TE NAPI  
TUTEWHEHIWEHI  
WAAKA OBE**

Kaumātua  
Ngāti Pikiao (Te Arawa), Ngāti Māhanga (Tainui)  
Adj Professor, DipTheol, Dip Tchg (Secondary)

Napi is one of the founding leaders of Te Wānanga o Aotearoa and has a comprehensive background in community and cultural development. Napi continues to serve Te Wānanga o Aotearoa and Te Mana Whakahaere as a kaumātua.

**General disclosure  
of interests:**

None

The members of Te Mana Whakahaere are dedicated to governing Te Wānanga o Aotearoa with integrity and in a way that unites kaimahi, management and stakeholders to achieve the objectives of the organisation. Members believe that sound, principles-based decision-making at governance level drives ethical and responsible behaviour at management and kaimahi levels. In particular, Te Mana Whakahaere believes in accountability, transparency and fairness, and acts in the best interests of the organisation at all times.

### Constitution

#### Responsibilities

Te Mana Whakahaere is responsible for governing Te Wānanga o Aotearoa in accordance with all statutory and regulatory obligations applicable to tertiary institutions and Crown entities. Members of Te Mana Whakahaere set the strategic direction of Te Wānanga o Aotearoa and monitor the performance of the organisation against these over-arching objectives.

To achieve its obligations, the council delegates some governance responsibilities to a number of sub-committees and operational responsibilities to Te Pouhere (CEO). These delegations are made through the Delegations of Authority framework.

#### Membership

The constitution of Te Mana Whakahaere defines the make-up of council membership. The constitution allows for the following members: four members to be appointed by the Minister for Tertiary Education, Skills and Employment; Te Pouhere (ex-officio); one member appointed from Business New Zealand; one member appointed from the Council of Trade Unions, one member nominated by Kīngi Tuheitia; five co-opted members, one elected representative from the academic staff; one elected representative

from the general staff; and one elected representative from taura. The positions for members nominated by Kīngi Tuheitia and Business New Zealand are currently vacant.

#### Meetings

Te Mana Whakahaere has 12 scheduled meetings per annum, but may meet on other occasions if circumstances require.

#### Process

Prior to each monthly meeting, members of Te Mana Whakahaere receive comprehensive reports on the management and operations of Te Wānanga o Aotearoa. Members also have unrestricted access to all other information and records. Meetings are organised in two parts: a public section where non-confidential matters are discussed, and a private section used for discussing confidential organisational business.

#### Remuneration

Remuneration for Te Mana Whakahaere members is determined in accordance with Cabinet Office Circular CO (09) 5. Members' remuneration is reported in Notes to the Financial Statements later in this report.

### Sub-committees

Te Mana Whakahaere has established three sub-committees to help it meet its obligations. Each of these is described below.

### Te Rautiaki Mātauranga

Te Rautiaki Mātauranga (academic board) advises on matters relating to courses of study or training, awards, and any other academic matters. The sub-committee is also responsible for promoting the maintenance and advancement of indigenous bodies of knowledge and maintaining educational standards.

### Te Ārai Tūpono

Te Ārai Tūpono (audit and risk committee) verifies that Te Wānanga o Aotearoa has appropriate processes in place to identify and manage risks. This sub-committee oversees and assesses the integrity of financial reporting, internal control, risk management, and internal and external audit functions.

### Executive Committee

The Executive Committee sets remuneration and performance levels for Te Pouhere and monitors his/her performance.

## Responsiveness to Stakeholders

Te Wānanga o Aotearoa gathers the views of stakeholders to inform decision-making across all levels of the organisation. Primary stakeholder groups include tauira, iwi, industry and kaimahi.

Classroom evaluations provide a mechanism to gather important feedback on improvements that can be made to tauira support systems and qualifications in order to better meet the educational needs of tauira.

Kāpuia (our graduate community) enables us to stay connected with our graduates. Kāpuia also provides a channel for former tauira to stay in touch with kaimahi and with other tauira. By staying connected with our graduates, we gain an understanding of the impact of the education we provide.

Te Kāhui Amorangi is our national collective iwi forum. This nationwide network of stakeholders provides a formal channel to capture the needs and aspirations of iwi to inform the strategic direction and operations of our organisation.

We use Komiti Āwhina forums to capture needs of industry in related qualifications being delivered at Te Wānanga o Aotearoa. This approach ensures that our qualifications remain relevant to employers' needs and enhances the future employment prospects of our tauira.

Te Wānanga o Aotearoa employs 1,299 kaimahi across Aotearoa New Zealand. Kaimahi are drawn from the often small communities within which our organisation operates. Because of this, the voices of community stakeholders are represented from within our organisation or through direct whānau links with kaimahi. These connections help us understand the needs of our communities at a local and national level.



**Inderpret Singh**  
Certificate in Career Preparation-Police Strand



Te Wānanga o Aotearoa was originally founded to provide opportunities for those whose needs were not being met by the mainstream education system. Our founders were also committed to transferring cultural knowledge and encouraging responsible kaitiakitanga over Papatūānuku. We take our responsibilities seriously because we respect the trust that has been placed in our hands as we work together to make our world a better place.

### Cultural

We recognise the critical importance of nurturing mātauranga Māori as part of our obligation to enliven tikanga and āhuatanga Māori. Mātauranga Māori underpins our programme development processes and is implicit in our organisational practices. Each year, we connect thousands of people with mātauranga Māori and we promote these paradigms as normal ways of living throughout our educational delivery. In this way, we support the vitality of te ao Māori now and into the future.

### Economic

We view education that leads to financial independence as a key strategy towards reversing the negative indicators often associated with intergenerational cycles of non-participation in tertiary education. We are dedicated to helping our taura achieve their study goals as a step towards gaining meaningful employment. For some taura, this means starting and operating their own businesses. For others, it means learning more advanced skills to enter employment or progress as an employee in an area of their choosing.

### Social

Te Wānanga o Aotearoa is a conduit for community connectedness. We often use existing community facilities as classrooms for delivery of our programmes as a way of contributing to the financial health of schools,

halls, marae and other community venues. These partnerships enable us to support and protect these invaluable community resources.

As an organisation, we understand the importance of bringing people together in safe and supportive environments. Programmes nurture meaningful relationships through practices such as whanaungatanga and manaakitanga – values that are central to all programmes.

We also support and sustain local communities by delivering our programmes in smaller towns across Aotearoa New Zealand rather than centralising delivery in main centres. This strategy enables taura to study locally and remain with their whānau, as well as creating local employment opportunities and generating a flow of funds in support of local community sustainability.

### Environmental

As a future-focused organisation, we understand that each of us is a kaitiaki with responsibility for protecting our environment for future generations. We aim to provide systems and processes that support each kaimahi in their duty of kaitiakitanga. This includes systems that promote waste minimisation, energy efficiency, pollution prevention, bio-diversity protection and climate change mitigation. We do these things to protect our world for our tamariki and mokopuna.



**Talia Martin**

Certificate in Sports Leadership (Applied)

## Financial summary 2012

The table below shows a comparison of 2012 performance for the Group against budget. 2011 figures are included for comparative purposes.

	Actual 2012 \$'000	Budget 2012 \$'000	TEC Guidelines	Performance against guidelines	Actual 2011 \$'000
Surplus	7,947	6,023	N/A		7,286
Surplus	5.2%	3.9%	3-5%	↑	4.8%
Comprehensive Income	4,986	6,023	N/A		7,286
Cash	58,380	51,044	N/A		59,690
Cash Inflows/Cash Outflows	1.10	1.09	1.08	↑	1.13
Working Capital	34,126	29,678	N/A		33,844
Net Assets	138,764	139,204	N/A		133,778

*Note: Cash includes cash and other financial assets in both current and non-current assets.*

### Overall Financial Performance

The results show a solid performance by the organisation as follows:

- The Tertiary Education Commission, having observed Te Wānanga o Aotearoa consistently achieving financial criteria set down for tertiary institutions, has assessed the organisation as 'low risk'.
- Budget targets were achieved.
- Working capital continues to strengthen when compared with previous years.
- Net assets (equity) have increased by \$5 million during the year.
- Te Wānanga o Aotearoa continues to have healthy cash reserves.

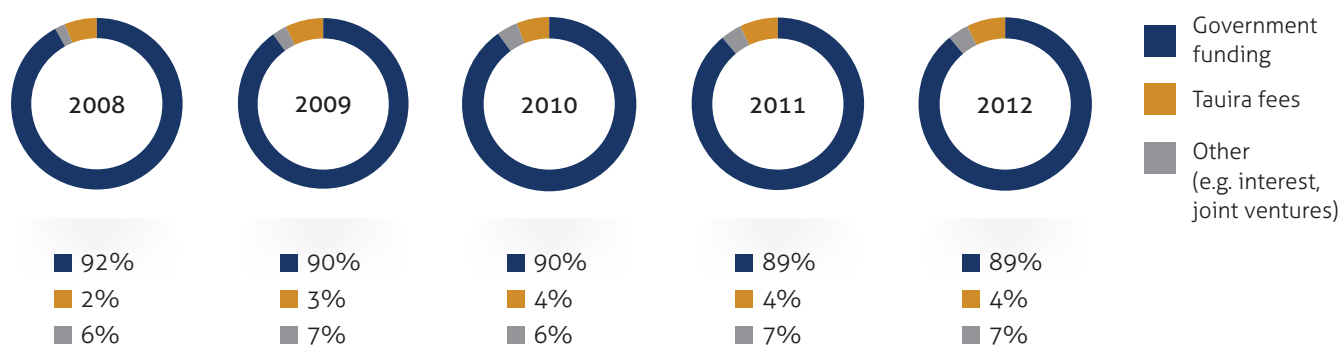
### Equivalent Full Time Students (EFTS)

Our total consumed EFTS result for 2012 was 20,494 – an increase of 0.4% (74 EFTS) on 2011 numbers. Our highest enrolling programmes were similar to prior years – Te Ara Reo Māori, Mauri Ora, computing, business, social services, health and sports, learning skills and English language.

Te Wānanga o Aotearoa achieved 99.12% of its target EFTS funding and 100.06% of EFTS numbers. As this funding value falls within the Tertiary Education Commission threshold (+/-3%), the organisation received 100% of its allocated funding for the year.

### Income

The table below shows the profile of our income streams for the past five years.

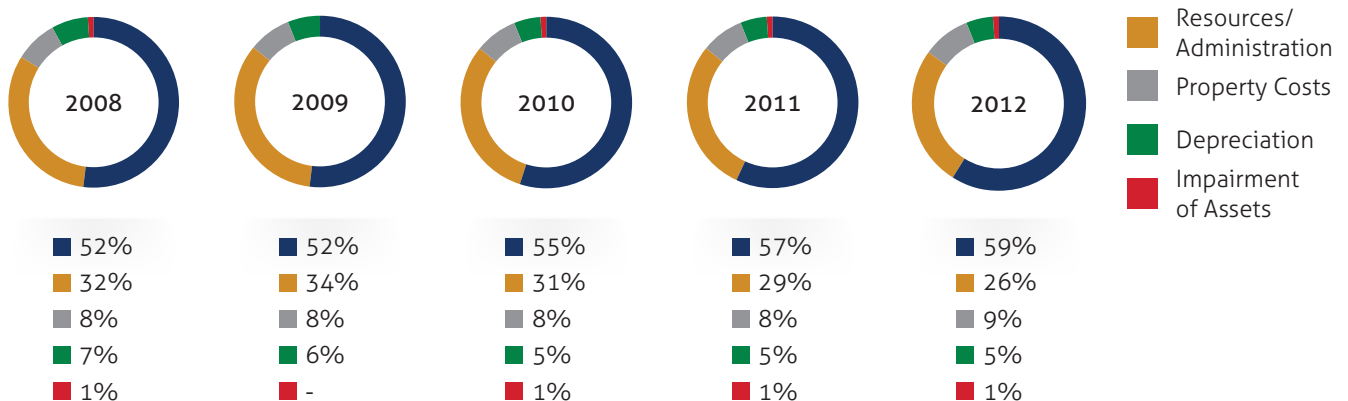


The income profile for 2012 remained consistent with the profile from previous years. Government funding remains the primary source of revenue for the organisation. Growth in taura fee income was anticipated for 2012; however, due to lower than expected international taura enrolments and a change in the programme mix, this was not achieved.



## Expenditure

The table below shows the profile of our expenditure for the past five years.



Personnel costs continue to increase relative to other expenditure types. This is due to a number of factors, with the most significant contributors being general cost of living increases and employing staff with higher qualifications.

Resource and administration costs have continued to decrease as a result of management's focus on entering procurement contracts that provide the organisation with better value for money and keep variable costs under tight control.

Property costs have remained fairly stable for the past five years. This results from an ongoing commitment to ensuring that the organisation maximises utilisation of existing space. Changes in our property portfolio between owned and leased sites have also contributed to this result.

Even with a planned purchase of a leased site, depreciation costs have steadily decreased and stabilised over the past five years. This is a result of only minor changes occurring in the property portfolio and the current capitalisation threshold for plant, property and equipment.

## Comprehensive Income

As a result of a revaluation exercise undertaken on all land and buildings owned by the organisation, Te Wānanga o Aotearoa recognised a decrease in property revaluations of \$2.9 million in 2012. The primary contributor to the decline in property values was a building that was assessed as earthquake prone. This resulted in total comprehensive income for 2012 being \$5 million.

## Financial Position

Cash, cash equivalents and other financial assets in 2012 exceeded budget by \$7.3 million. Te Wānanga o Aotearoa was \$8.2 million down on cash and \$15.7 million up on short term deposits when compared with budget. This variance results from a higher than anticipated surplus and opening cash position for the year.

The organisation had a positive working capital balance at the end of the year of \$34.1 million. This is an increase of \$0.3 million on the 2011 result.

Overall, non-current assets increased by \$4.9 million due to the purchase of plant, property and equipment, particularly the acquisition of the Raroera site in Hamilton. This result was partly offset by the loss on property revaluations.

Eight programmes were developed and capitalised during the year along with the purchase of software at a total cost of \$1.4 million. As a result of amortisation and impairment there was little movement over the year in intangible assets.

Net assets as at year end are now \$138.8 million – an increase of \$4.9 million on 2011.

## Cash Flow

The strong closing cash position for the year shows the result of a focused approach to maximising our earnings from surplus cash. During 2012, Te Wānanga o Aotearoa achieved interest revenue of \$3.3 million, \$0.2 million below the amount received in 2011. This result was achieved by investing in investment-rated trading banks for varying terms within our credit risk criteria. The average interest rate for cash and current financial assets in 2012 was 5.00%. This is an increase of 0.90% from the 2011 result.

During 2012, cash and cash equivalents (both short and long term) decreased from \$60 million to \$58 million. The net surplus for the year was \$7.9 million; however, when non-cash items are removed, the net operating inflow of cash to the organisation was \$14.0 million.

Te Wānanga o Aotearoa had a net cash outflow of \$19 million on investing activities. This expenditure relates mainly to property, plant and equipment, and programme development. Te Wānanga o Aotearoa developed and capitalised eight programmes in 2012, compared with twelve in 2011. The concentration in 2012, as was the case in previous years, on property, plant and equipment has seen the completion of major improvements on many of our large sites and an acquisition of the Raroera site in Hamilton.





# Statement of responsibility

In the financial year ended 31 December 2012, Te Mana Whakahaere (the Council) and the management of Te Wānanga o Aotearoa were responsible for:

- preparation of the annual financial statements and statements of service performance and the judgements used in them
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting

In the opinion of Te Mana Whakahaere and management of Te Wānanga o Aotearoa, the financial statements and statements of service performance fairly reflect the financial position and operations of Te Wānanga o Aotearoa for the year ended 31 December 2012.



**Richard Batley, Chairman**  
CA, BMS (Waikato)

24/04/13

Date



**Bentham Ohia, Te Pouhere (CEO)**  
Exec MBA, Dip T, BA

24/04/13

Date





Te  
**tahua**  
Financial report 2012

# Independent auditor's report

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

To the readers of Te Wānanga o Aotearoa Te Kuratini o Ngā Waka and group's financial statements and non-financial performance information for the year ended 31 December 2012

The Auditor-General is the auditor of Te Wānanga o Aotearoa Te Kuratini o Ngā Waka (the Wānanga) and group. The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non-financial performance information of the Wānanga and group on her behalf.

We have audited:

- the financial statements of the Wānanga and group on pages 74 to 115, that comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the Wānanga and group in the performance measurement section of the annual report on pages 36 to 54.

## Opinion

In our opinion:

- the financial statements of the Wānanga and group on pages 74 to 115:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Wānanga and group's:
    - financial position as at 31 December 2012; and
    - financial performance and cash flows for the year ended on that date;
- the non-financial performance information of the Wānanga and group in the performance measurement section of the annual report on pages 36 to 54 fairly reflects the Wānanga and group's service performance achievements measured against the performance targets adopted in the investment plan for the year ended 31 December 2012.

Our audit was completed on 24 April 2013. This is the date at which our opinion is expressed.

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

## Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-



financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Wānanga and group's preparation of the financial statements and non-financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Wānanga and group's internal control.

An audit also involves evaluating:

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

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and non-financial performance information.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Council**

The Council is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Wānanga and group's financial position, financial performance and cash flows.

The Council is also responsible for preparing non-financial performance information that fairly reflects the Wānanga and group's service performance achievements measured against the performance targets adopted in the investment plan.

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

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

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

### **Independence**

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

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



**Audit New Zealand**

On behalf of the Auditor-General  
Tauranga, New Zealand

# Financial statements

## Statement of comprehensive income

For the year ended 31 December 2012

	Notes	Group Actual Dec 12 \$'000	Group Budget Dec 12 \$'000	Group Actual Dec 11 \$'000	Parent Actual Dec 12 \$'000	Parent Budget Dec 12 \$'000	Parent Actual Dec 11 \$'000
<b>Income</b>							
Government funding	2(a)	135,160	135,361	134,877	135,216	135,361	134,877
Tuition fees	2(b)	5,897	8,222	6,286	5,216	6,852	5,866
Interest income		3,254	3,537	3,455	3,053	3,380	3,287
Other income	2(c)	8,028	6,782	6,386	15,018	13,749	14,118
<b>Total income</b>		<b>152,339</b>	<b>153,902</b>	<b>151,004</b>	<b>158,503</b>	<b>159,342</b>	<b>158,148</b>
<b>Expenditure</b>							
Personnel costs	3	85,296	86,422	81,529	76,203	77,608	73,870
Depreciation and amortisation expense	11,12	7,660	8,010	7,795	6,647	7,160	7,038
Other expenses	4	51,436	53,447	54,394	66,562	67,706	68,784
Total expenditure		144,392	147,879	143,718	149,412	152,474	149,692
<b>Surplus/(deficit)</b>		<b>7,947</b>	<b>6,023</b>	<b>7,286</b>	<b>9,091</b>	<b>6,868</b>	<b>8,456</b>
<b>Other comprehensive income</b>							
Gains/(loss) on property revaluations	16	(2,961)	-	-	(3,035)	-	-
Total other comprehensive income		(2,961)	-	-	(3,035)	-	-
<b>Total comprehensive income</b>		<b>4,986</b>	<b>6,023</b>	<b>7,286</b>	<b>6,056</b>	<b>6,868</b>	<b>8,456</b>

Explanation of significant variances against budget is detailed in note 21.

The accompanying notes form part of these financial statements.

# Statement of changes in equity

For the year ended 31 December 2012

	Notes	Group Actual Dec 12 \$'000	Group Budget Dec 12 \$'000	Group Actual Dec 11 \$'000	Parent Actual Dec 12 \$'000	Parent Budget Dec 12 \$'000	Parent Actual Dec 11 \$'000
<b>Balance at 1 January</b>		133,778	133,181	126,492	116,503	117,166	108,047
<i>Comprehensive income</i>							
Surplus/(deficit)		7,947	6,023	7,286	9,091	6,868	8,456
Other comprehensive income		(2,961)	-	-	(3,035)	-	-
Total comprehensive income		4,986	6,023	7,286	6,056	6,868	8,456
Non-comprehensive income items							
Capital contributions from the Crown	16	-	-	-	-	-	-
Suspensory loans from the Crown		-	-	-	-	-	-
<b>Balance at 31 December</b>	<b>16</b>	<b>138,764</b>	<b>139,204</b>	<b>133,778</b>	<b>122,559</b>	<b>124,034</b>	<b>116,503</b>

The accompanying notes form part of these financial statements.



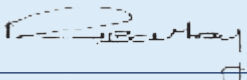
# Statement of financial position

As at 31 December 2012

	Notes	Group Actual Dec 12 \$'000	Group Budget Dec 12 \$'000	Group Actual Dec 11 \$'000	Parent Actual Dec 12 \$'000	Parent Budget Dec 12 \$'000	Parent Actual Dec 11 \$'000
<b>Current assets</b>							
Cash and cash equivalents	5	5,376	13,577	10,223	4,703	12,033	9,191
Debtors and other receivables	6	3,248	2,028	2,672	2,938	2,028	2,476
Inventories	8	2,068	2,478	2,096	964	1,625	1,105
Prepayments		311	-	311	282	-	241
Other financial assets	7	39,791	24,123	36,123	36,000	22,500	32,500
<b>Total current assets</b>		<b>50,794</b>	<b>42,206</b>	<b>51,425</b>	<b>44,887</b>	<b>38,186</b>	<b>45,513</b>
<b>Current liabilities</b>							
Creditors and other payables	9	10,562	5,757	10,932	16,387	11,896	18,230
Tauira fees		376	500	429	317	500	429
Employee entitlements	10(a)	5,730	6,271	6,220	5,009	5,532	5,553
<b>Total current liabilities</b>		<b>16,668</b>	<b>12,528</b>	<b>17,581</b>	<b>21,713</b>	<b>17,928</b>	<b>24,212</b>
<b>Working capital surplus/(deficit)</b>		<b>34,126</b>	<b>29,678</b>	<b>33,844</b>	<b>23,174</b>	<b>20,258</b>	<b>21,301</b>
<b>Non-current assets</b>							
Investment in Open Wānanga	13	-	-	-	1	1	1
Other financial assets	7	13,213	13,344	13,344	13,213	13,344	13,344
Property, plant and equipment	11	85,122	88,312	80,654	82,354	85,821	78,333
Intangible assets	12	6,498	7,870	5,936	3,934	4,610	3,524
<b>Total non-current assets</b>		<b>104,833</b>	<b>109,526</b>	<b>99,934</b>	<b>99,502</b>	<b>103,776</b>	<b>95,202</b>
<b>Non-current liabilities</b>							
Provisions	10 (b)	195	-	-	117	-	-
<b>Total non-current liabilities</b>		<b>195</b>	<b>-</b>	<b>-</b>	<b>117</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>		<b>138,764</b>	<b>139,204</b>	<b>133,778</b>	<b>122,559</b>	<b>124,034</b>	<b>116,503</b>
<b>Equity</b>							
Retained earnings	16	129,240	126,719	121,293	113,157	111,597	104,066
Property revaluation reserve	16	9,524	12,485	12,485	9,402	12,437	12,437
<b>Total equity</b>		<b>138,764</b>	<b>139,204</b>	<b>133,778</b>	<b>122,559</b>	<b>124,034</b>	<b>116,503</b>


Explanations of major variances against budget are provided in note 21.

For and on behalf of Te Mana Whakahaere (the Council):

  
**Richard Batley, Chair**  
 CA, BMS (Waikato)

24/04/13

Date

  
**Bentham Ohia, Te Pouhere (CEO)**  
 Exec MBA, Dip T, BA

24/04/13

Date

The accompanying notes form part of these financial statements.

# Statement of cash flows

For the year ended 31 December 2012

	Group Actual Dec 12 \$'000	Group Budget Dec 12 \$'000	Group Actual Dec 11 \$'000	Parent Actual Dec 12 \$'000	Parent Budget Dec 12 \$'000	Parent Actual Dec 11 \$'000
<b>Cash flows from operating activities</b>						
Receipts from government grants	134,987	135,527	134,305	135,043	135,361	134,305
Receipts from tuition fees	5,844	7,934	6,090	5,104	6,564	5,670
Dividend income	3	-	2	3	-	2
Interest income received	3,233	3,537	3,162	3,103	3,381	3,001
Receipts from other income	6,410	6,781	5,658	13,455	13,749	13,860
Payments to employees	(85,786)	(82,639)	(81,566)	(76,747)	(74,170)	(73,975)
Payments to suppliers	(50,716)	(56,015)	(50,759)	(67,321)	(71,517)	(67,797)
<b>Net cash flow from operating activities</b>	<b>13,975</b>	<b>15,125</b>	<b>16,892</b>	<b>12,640</b>	<b>13,368</b>	<b>15,066</b>
<b>Cash flows from investing activities</b>						
Sale of property, plant and equipment	178	-	585	156	-	585
Sale of investments	30,631	-	24,000	30,631	-	24,000
Purchase of property, plant and equipment	(13,297)	(14,853)	(9,757)	(12,460)	(14,304)	(9,341)
Software development	(290)	(815)	(42)	(70)	(415)	(42)
Programme development	(1,876)	(2,994)	(1,843)	(1,385)	(1,480)	(826)
Purchase of investments	(34,168)	-	(28,916)	(34,000)	-	(26,344)
<b>Net cash flow from investing activities</b>	<b>(18,822)</b>	<b>(18,662)</b>	<b>(15,973)</b>	<b>(17,128)</b>	<b>(16,199)</b>	<b>(11,968)</b>
<b>Cash flows from financing activities</b>						
Capital contribution from the Crown	-	-	-	-	-	-
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	(4,847)	(3,537)	919	(4,488)	(2,831)	3,098
Cash and cash equivalents 1 January	10,223	17,114	9,304	9,191	14,864	6,093
<b>Cash and cash equivalents 31 December</b>	<b>5,376</b>	<b>13,577</b>	<b>10,223</b>	<b>4,703</b>	<b>12,033</b>	<b>9,191</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows (continued)

For the year ended 31 December 2012

Reconciliation from the net surplus to the net cash flows from operating activities

	<b>Group 2012 \$'000</b>	<b>Group 2011 \$'000</b>	<b>Parent 2012 \$'000</b>	<b>Parent 2011 \$'000</b>
Surplus/(deficit) from the statement of comprehensive income	7,947	7,286	9,091	8,456
<b>Add/(less) non-cash items</b>				
Depreciation and amortisation expense	7,660	7,795	6,647	7,038
Found property, plant and equipment	(959)	-	(959)	-
Net (gain) on lease make good provision	195	-	117	-
Asset impairment	691	829	690	829
<b>Total non-cash items</b>	<b>7,587</b>	<b>8,624</b>	<b>6,495</b>	<b>7,867</b>
<b>Add/(less) items classified as investing or financing activities</b>				
Net (gain) on disposal of property, plant and equipment	(98)	(279)	(86)	(291)
<b>Total items classified as investing or financing activities</b>	<b>(98)</b>	<b>(279)</b>	<b>(86)</b>	<b>(291)</b>
<b>Add/(less) movements in working capital items</b>				
(Increase)/decrease in inventories	28	(202)	141	(82)
(Increase)/decrease in trade and other receivables	(555)	(1,672)	(512)	110
(Increase)/decrease in prepayments	-	88	(41)	153
(Increase)/decrease in interest accrued	(21)	(293)	50	(286)
Increase/(decrease) in trade and other payables	(198)	4,171	(1,671)	11
Increase/(decrease) in revenue received in advance	(172)	(598)	(172)	(571)
Increase/(decrease) in taura fees	(53)	(196)	(111)	(196)
Increase/(decrease) in provision for employee entitlements	(490)	(37)	(544)	(105)
<b>Net movement in working capital</b>	<b>(1,461)</b>	<b>1,261</b>	<b>(2,860)</b>	<b>(966)</b>
<b>Net cash flow from operating activities</b>	<b>13,975</b>	<b>16,892</b>	<b>12,640</b>	<b>15,066</b>

The accompanying notes form part of these financial statements.

# Statement of accounting policies

For the year ended 31 December 2012

## Reporting entity

Te Wānanga o Aotearoa is a TEI domiciled in New Zealand and is governed by the Crown Entities Act 2004 and the Education Act 1989.

The primary objective of Te Wānanga o Aotearoa is to provide full-time and part-time tertiary education as opposed to that of making a financial return.

Te Wānanga o Aotearoa group consists of the parent, Te Wānanga o Aotearoa, and its subsidiaries, Open Wānanga Limited (100% owned) and the Aotearoa Scholarship Trust (100% controlled). The subsidiaries of Te Wānanga o Aotearoa are incorporated and domiciled in New Zealand.

Open Wānanga Limited consists of Open Wānanga Limited and its subsidiary, Open English Limited (100% owned).

Te Wānanga o Aotearoa has designated itself and group as public benefit entities for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Te Wānanga o Aotearoa and group for the year ended 31 December 2012 were authorised for issue on 24th April 2013 by Te Mana Whakahaere.

## Statement of compliance

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

These financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities and they comply with NZ IFRS.

## Measurement base

The financial statements have been prepared on a historical cost basis except where modified by the revaluation of artwork, land and buildings.

## Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

The functional currency of Te Wānanga o Aotearoa and its subsidiaries is New Zealand dollars.

## Changes in accounting policies and estimates

There have been no changes in accounting policies during the financial year.

Te Wānanga o Aotearoa has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

FRS-44 New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments) – The purpose of the new standard and amendments is to harmonise Australian and New Zealand accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The main effect of the amendments on the organisation is that donations are no longer required to be separately disclosed and certain information about property valuations is no longer required to be disclosed. Note 4 and 11 has been updated for these changes.

## Standard, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not effective that have not been early adopted and which are relevant to Te Wānanga o Aotearoa are:

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair



## Statement of accounting policies (continued)

value through the surplus or deficit. The new standard is required to be adopted for the year ended 31 December 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (Incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, Te Wānanga o Aotearoa is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB and are mainly based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means Te Wānanga o Aotearoa expects to transition to the new standards in preparing its 31 December 2015 financial statements. As the PAS are still under development, Te Wānanga o Aotearoa is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

### Significant Accounting Policies

#### 1. Basis of consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intra-group balances, transactions, income and expenses are eliminated on consolidation.

#### Subsidiaries

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

Investments in subsidiaries are carried at cost in the parent entity financial statements of Te Wānanga o Aotearoa.

#### 2. Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

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

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### 3. Property, plant and equipment

Property, plant and equipment asset classes consist of land and buildings, leasehold improvements, equipment, computers, furniture and fittings, motor vehicles, waka, library books and artwork.

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

- Land and buildings are measured at cost or valuation less subsequent accumulated depreciation on buildings and subsequent accumulated impairment losses.

- Artwork is held at cost or valuation and is not depreciated.
- All other asset classes are stated at cost less accumulated depreciation and any accumulated impairment in value.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and artwork at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	15-65years	1.53%-6.66%
Leasehold improvements	1-10years	10%-100%
Equipment	5 years	20%
Computers	2-4years	25%-50%
Furniture and fittings	5 years	20%
Motor vehicles	5 years	20%
Waka	10 years	10%
Library books	10 years	10%
Library subscriptions	2 years	50%

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

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

### Revaluations

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

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

Property, plant and equipment revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income 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 not recognised in other comprehensive income but is recognised in

the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or the deficit up to the amount previously expensed and then recognised in other comprehensive income.

### Additions

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

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

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

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying value of the asset. Gains and losses on disposals are recognised in the surplus or deficit.

When revalued assets are sold, the amounts included in the revaluation reserve in respect of those assets are transferred to retained earnings.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Te Wānanga o Aotearoa 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.

## 4. Intangible assets

### Computer software

Computer software is separately acquired and capitalised at its cost as at the date of acquisition. After initial recognition, separately acquired intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

### Course development costs

Course development costs relate to development of educational courses and are capitalised once accreditation has been received and when it is probable that future economic benefit arising from use of the intangible asset will flow to the group.

Following initial recognition of course development costs, the cost model is applied and the asset is carried at cost less accumulated amortisation and accumulated impairment losses.

# Statement of accounting policies (continued)

## Amortisation

	Computer software	Course development costs
Useful lives	Finite - 5 years	Finite - 5 years
Method used	Straight line method	Straight line method from capitalisation
Internally generated/ acquired	Separately acquired	Internally generated/ separately acquired

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

The amortisation period and amortisation method for each class of intangible asset having a finite life are reviewed at the end of each financial year. If the expected useful life or expected pattern of consumption is different from the previous assessment, changes are made accordingly.

The carrying value of each class of intangible asset is reviewed annually for indicators of impairment. Intangible assets are tested for impairment where an indicator of impairment exists.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the surplus or deficit when the asset is de-recognised.

All other research and development costs are recognised as expenses in the surplus or deficit in the year in which they are incurred.

## 5. Impairment of property, plant and equipment and intangible assets

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

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised 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 income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

## 6. Other financial assets

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

Purchases and sales of financial assets are recognised on trade-date, the date on which the organisation and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the organisation and group has transferred substantially all the risks and rewards of ownership.

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

- fair value through surplus or deficit;
- loans and receivables; and
- fair value through other comprehensive income.

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

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

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

Derivatives are also categorised as held for trading.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any provision for impairment.

Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

#### ***Financial assets at fair value through other comprehensive income***

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

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

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

On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

#### ***Impairment of financial assets***

At each balance date, Te Wānanga o Aotearoa assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Any impairment losses are recognised in the surplus or deficit.

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

Impairment of a loan or a receivable is established when there is objective evidence that Te Wānanga o Aotearoa will not be able to collect amounts due according to the original terms of the loan or receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account.

Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). For other financial assets, impairment losses are recognised directly against the instrument's carrying amount.

#### ***Financial assets at fair value through other comprehensive income***

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into receivership or liquidation, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

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

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



## Statement of accounting policies (continued)

### 7. Inventories

Inventories held for distribution or consumption in the provision of services that are not issued on a commercial basis are measured at the lower of cost and net realisable value. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

The replacement cost of the economic benefits or service potential of inventory held for distribution reflects any obsolescence or any other impairment.

The cost of purchased inventory is determined as follows:

- inventories held for resale – purchase cost is on a weighted average cost
- materials and consumables to be utilised for rendering of services – purchase cost is on a first-in, first-out basis.

The write-down from cost to current replacement cost or net realisable value is recognised in the surplus or deficit in the period when the write-down occurs.

### 8. Debtors and other receivables

Taura fees and other receivables are recognised and carried at original receivable amount less any provision for impairment.

A specific provision for impairment is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

### 9. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

### 10. Creditors and other payables

Creditors and other payables are recorded at their face value.

### 11. Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

### 12. Employee entitlements

#### Short-term employee entitlements

Employee entitlements that Te Wānanga o Aotearoa expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, and sick leave.

Te Wānanga o Aotearoa recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent Te Wānanga o Aotearoa anticipates it will be used by staff to cover those future absences.

### 13. Superannuation schemes

#### Defined contribution schemes

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

### 14. Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income.

Operating lease payments are recognised as an expense in the surplus or deficit on a straight-line basis over the lease term.

### 15. Revenue

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

#### Government grants

Government grants are recognised as revenue upon entitlement.

#### Other government grants

Funding is received from the Tertiary Education Commission (TEC) in relation to costs expected to be incurred by Te Wānanga o Aotearoa to complete specific projects and organisational change objectives as established and agreed between TEC and Te Wānanga o Aotearoa. Revenue from these projects is recognised based on the stage of the completion of the project. The stage of completion is measured based on the percentage of costs incurred to date compared to the total estimated costs to complete the full project. When funding is received in advance of the project

being completed, deferred income is recognised and is released over the specific period using the stage of completion method.

#### **Student tuition fees**

Revenue from taura tuition fees is recognised over the period in which the course is taught by reference to the stage of completion of the course as at the balance sheet date. Stage of completion is measured by reference to the days of course completed as a percentage of total days for each course.

#### **Rental income**

Rental income is recognised in the surplus or deficit on an accrual basis.

#### **Interest**

Revenue is recognised as the interest accrues (using the effective interest method which applies the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

### **16. Donations**

Donations are received by Te Wānanga o Aotearoa from the subsidiary company, Open Wānanga Limited. These donations are recognised as revenue in the surplus or deficit in the period in which they are received.

#### **Financial arrangement between the parent and subsidiary**

Open Wānanga Limited has provided educational delivery services to Te Wānanga o Aotearoa since 2001. Open Wānanga Limited invoices Te Wānanga o Aotearoa as these services are performed. However funds flow between the organisations as they are needed and because of this an inter-entity debt has arisen. At least annually, the two entities consider the value of the inter-entity debt. In the past a dividend has been declared by Open Wānanga Limited in order to manage the value of the debt. This has been technically incorrect since 2008. Moving forward a donation will be paid by Open Wānanga Limited.

#### **Why this has been technically incorrect since 2008**

The form of the dividend/debt arrangements implemented from 2008 to 2012 by Te Wānanga o Aotearoa and its subsidiaries is incorrect. The arrangements were not consistent with the subsidiaries constitutions; in particular clause 4.2 provides that the shares in the company do not carry any right to receive dividends. However clauses 2.1.2 and 2.2.2 do provide for profits not reinvested in the company to be applied by the company by way of distribution to Te Wānanga o Aotearoa or otherwise exclusively for charitable purposes, being purposes consistent with the purposes and activities of Te Wānanga o Aotearoa. On this basis

the substance of the dividend/debt arrangements made from 2008 to 2012 were permitted.

#### **What has been done and when to remedy the situation**

Te Wānanga o Aotearoa is the sole shareholder of Open Wānanga Limited. Distributions from Open Wānanga Limited can be in the form of "donations", "gifts" or "grants" for charitable purposes. Distributions are not distributions to Te Wānanga o Aotearoa in their capacity as shareholders. Therefore Te Wānanga o Aotearoa and its subsidiary are able to remedy the position by unwinding the dividend arrangements and implementing replacement distribution (donation) arrangements. The documentation required to remedy the position will seek to do so retrospectively, with effect from the date of the original arrangements.

### **17. Equity**

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. The components of equity are:

- retained earnings
- property revaluation reserves
- capital contribution

#### **Property revaluation reserve**

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

### **18. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the taxation authority, 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.

### **19. Budget figures**

Budget figures are those approved by Te Mana Whakahaere at the beginning of the year. Budget figures are prepared in accordance with NZ GAAP and are

## Statement of accounting policies (continued)

consistent with the accounting policies adopted by Te Mana Whakahaere for the preparation of the financial statements.

### 20. Key judgements, estimates and assumptions

The following items have been included in the financial statements as a result of key judgements or estimates.

#### *Operating lease commitments*

Te Wānanga o Aotearoa has entered into commercial property leases on its property portfolio. Te Wānanga o Aotearoa has determined that it retains all significant risks and rewards of ownership on these properties and has therefore classified the leases as operating leases.

#### *Impairment of non-financial assets*

Te Wānanga o Aotearoa assesses impairment of all assets at each reporting date by evaluating conditions specific to Te Wānanga o Aotearoa and to the particular asset that may lead to impairment. These include programme performance, technology, economic and political environments, and future programme expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. Management does not consider that the triggers for impairment testing have been significant and, as such, these assets have not been tested for impairment in this financial period.

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

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

#### *Distinction between revenue and capital contribution*

Most Crown funding received is operational in nature. Thus it is provided by the Crown under the authority of an expense appropriation and is recognised as revenue. Where funding is received from the Crown under the authority of a capital appropriation, Te Wānanga o Aotearoa accounts for the funding as a capital contribution directly in equity. Information about capital contributions recognised in equity is disclosed in note 16.

#### *Early childhood centre grant*

Te Wānanga o Aotearoa received a grant from the Crown for the construction of a new early childhood learning centre facility. The grant has a number of conditions attached which require all or part of the grant to be repaid in the event the conditions are not met. NZ IFRS does not provide authoritative support on accounting for government grants for public benefit entities because

public benefit entities are not permitted to apply the recognition and measurement requirements of NZ IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Te Wānanga o Aotearoa has considered the liability definition in the New Zealand Framework and in applying its judgement has recognised the grant as revenue because management is committed to satisfying the remaining grant conditions. It is therefore not considered probable that Te Wānanga o Aotearoa will be required to repay all or part of the grant to the Crown.

#### *Capitalised programme development costs*

Development costs are only capitalised by Te Wānanga o Aotearoa when it can be demonstrated that the technical feasibility of completing the intangible asset is valid so that the asset will be available for use or sale and that the programmes will provide positive cash flows.

#### *Estimation of useful lives of assets*

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of each asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

#### *Property revaluations*

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

# Notes to the financial statements

For the year ended 31 December 2012

## 2 Income

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>(a) Government funding</b>				
Student Achievement Component Funding	133,384	132,091	133,440	132,091
Quality Reinvestment Plan	-	367	-	367
Performance Based Research Fund	163	160	163	160
Other government funding	1,613	2,259	1,613	2,259
<b>Total government funding</b>	<b>135,160</b>	<b>134,877</b>	<b>135,216</b>	<b>134,877</b>
<b>(b) Tuition fees</b>				
Fees from domestic Tauranga	5,216	5,866	5,216	5,866
Fees from international Tauranga	681	420	-	-
<b>Total tuition fees</b>	<b>5,897</b>	<b>6,286</b>	<b>5,216</b>	<b>5,866</b>
<b>(c) Other income</b>				
Contract income*	2,732	1,771	2,732	1,771
Profit on sale of property, plant and equipment	101	367	89	367
Found property, plant and equipment	959	-	959	-
Other income				
Rental income	309	336	309	336
Canteen sales	114	724	114	724
Sales to Open Wānanga Limited	-	148	1,275	1,470
Donation from Open Wānanga Limited	-	-	5,413	6,468
Dividends from external sources	3	2	3	2
Miscellaneous income	3,810	3,038	4,124	2,980
<b>Total other income</b>	<b>8,028</b>	<b>6,386</b>	<b>15,018</b>	<b>14,118</b>

\*Contract income relates to licences and subcontracting arrangements that Te Wānanga o Aotearoa has with other institutions.

## 3 Personnel costs

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
Wages and salaries	84,443	80,793	75,491	73,229
Employer contributions to defined contribution plans*	781	730	694	635
Increase/(decrease) in employee sick leave	72	6	18	6
<b>Total personnel costs</b>	<b>85,296</b>	<b>81,529</b>	<b>76,203</b>	<b>73,870</b>

\*Employer contributions to defined contribution plans include contributions to Kiwisaver.



## Notes to the financial statements (continued)

### 4 Other Expenses

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
Fees to principal auditor				
Audit fees for financial statement audit	296	290	197	205
Audit fees for prior year	36	-	-	-
Management fees	1,584	2,301	-	-
Administration	13,859	13,839	10,627	11,270
Impairment of receivables	13	(116)	13	(116)
Bad debts written off	156	307	156	307
Koha	336	396	332	389
Satellite payments	1,902	2,396	1,902	2,396
Scholarships	105	131	-	-
Intercompany expenses				
Payments to Open Wānanga Limited	-	-	24,963	24,397
Payments to Aotearoa Scholarship Trust	-	-	66	20
Small capital purchases	2,595	2,318	2,347	2,091
Consultancy fees	4,532	4,215	3,291	3,145
Inventories consumed	2,164	2,285	2,164	2,285
Tauira resources	8,627	10,623	7,156	8,177
Travel	1,711	1,920	1,711	1,915
Artwork lease	-	121	-	121
Occupancy expenses	6,878	6,268	6,241	5,722
Rent	2,407	2,041	1,239	1,401
Minimum lease payments – operating lease	3,260	4,154	3,260	4,154
Impairment of property, plant & equipment & stock	777	829	777	829
Loss on sale of property, plant and equipment	3	76	3	76
Make good provision 10b	195	-	117	-
<b>Total other expenses</b>	<b>51,436</b>	<b>54,394</b>	<b>66,562</b>	<b>68,784</b>

### 5 Cash and cash equivalents

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
Cash at bank and in hand	3,376	5,123	2,703	4,191
Term deposits with maturities less than 3 months	2,000	6,723	2,000	5,000
<b>Total cash and cash equivalents</b>	<b>5,376</b>	<b>11,846</b>	<b>4,703</b>	<b>9,191</b>

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

The weighted average effective interest rate for term deposits is 3.86% (2011 - 4.01%).

There were no cash or cash equivalent balances held at 31 December 2012 that were not available for use by the group.

## 5 Cash and cash equivalents (continued)

Reconciliation of cash for the purpose of the cash flow statement

For the purpose of the cash flow statement, cash and cash equivalents comprise the following as at 31 December.

	<b>Group 2012 \$'000</b>	<b>Group 2011 \$'000</b>	<b>Parent 2012 \$'000</b>	<b>Parent 2011 \$'000</b>
Cash at bank and in hand	3,376	5,123	2,703	4,191
Term deposits with maturities less than 3 months	2,000	6,723	2,000	5,000
<b>Total cash and cash equivalents</b>	<b>5,376</b>	<b>11,846</b>	<b>4,703</b>	<b>9,191</b>

## 6 Debtors and other receivables

	<b>Group 2012 \$'000</b>	<b>Group 2011 \$'000</b>	<b>Parent 2012 \$'000</b>	<b>Parent 2011 \$'000</b>
<b>Tauira receivables</b>				
Tauira fee receivables	662	522	662	522
Less provision for impairment	(16)	(7)	(16)	(7)
<b>Net Tauira fee receivables</b>	<b>646</b>	<b>515</b>	<b>646</b>	<b>515</b>
<b>Other receivables</b>				
Trade receivables	550	228	550	228
Accrued interest	1,808	1,787	1,683	1,733
Related party receivables				
Subsidiary (note 19)	-	-	24	13
Other related parties (note 19)	261	155	52	-
Gross debtors and other receivables	2,619	2,170	2,309	1,974
Less provision for impairment	(17)	(13)	(17)	(13)
<b>Total debtors and other receivables</b>	<b>3,248</b>	<b>2,672</b>	<b>2,938</b>	<b>2,476</b>

### Fair Value

Other debtors are non-interest bearing and receipt is normally on 30-day terms. Therefore the carrying value of other debtors approximates their fair value.

Tauira debtors are non-interest bearing and receipt is normally on enrolment and no later than graduation. Therefore the carrying value of Tauira debtors approximates their fair value.

## Notes to the financial statements (continued)

### 6 Debtors and other receivables (continued)

#### Impairment

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

	2012			2011		
	Gross \$'000	Impairment \$'000	Net \$'000	Gross \$'000	Impairment \$'000	Net \$'000
<b>Group</b>						
Not past due	2,499	-	2,499	1,577	-	1,577
Past due 1-60 days	229	-	229	18	-	18
Past due 61-120 days	110	-	110	43	(6)	37
Past due > 120 days	443	(33)	410	358	(14)	344
<b>Total</b>	<b>3,281</b>	<b>(33)</b>	<b>3,248</b>	<b>1,996</b>	<b>(20)</b>	<b>1,976</b>
<b>Parent</b>						
Not past due	2,309	-	2,309	2,077	-	2,077
Past due 1-60 days	163	-	163	18	-	18
Past due 61-120 days	23	-	23	43	(6)	37
Past due > 120 days	476	(33)	443	358	(14)	344
<b>Total</b>	<b>2,971</b>	<b>(33)</b>	<b>2,938</b>	<b>2,496</b>	<b>(20)</b>	<b>2,476</b>

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

The impairment provision has been calculated based on expected losses for Te Wānanga o Aotearoa and the pool of receivables. Expected losses have been determined based on an analysis of losses for Te Wānanga o Aotearoa in previous periods and a review of specific receivables.

Other impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

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

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
At 1 January	20	137	20	137
Additional provisions made during the year	169	190	169	190
Receivables written off during the period	(156)	(307)	(156)	(307)
<b>At 31 December</b>	<b>33</b>	<b>20</b>	<b>33</b>	<b>20</b>

## 7 Other financial assets

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Current portion</b>				
Term deposits with maturities of 4-12 months	39,791	36,123	36,000	32,500
<b>Total current portion</b>	<b>39,791</b>	<b>36,123</b>	<b>36,000</b>	<b>32,500</b>
<b>Non-current portion</b>				
Term deposits with maturities >12 months	13,213	13,344	13,213	13,344
<b>Total non-current portion</b>	<b>13,213</b>	<b>13,344</b>	<b>13,213</b>	<b>13,344</b>
<b>Total other financial assets</b>	<b>53,004</b>	<b>49,467</b>	<b>49,213</b>	<b>45,844</b>

### Fair value

#### Term deposits

The fair value of non-current term deposits is \$13,133,387 (2011 - \$14,305,299). Fair value has been determined by discounting future interest cash flows using a discount rate based on the market interest rate on term deposits at balance date with principal terms to maturity that match as closely as possible the cash flows of term deposits held.

The discount rates range between 2.53% and 2.91% (2011 - 2.46% and 3.30%).

#### Impairments

There were no impairment provisions for other financial assets. None of the assets are either past due or impaired.

## 8 Inventory

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Inventories held for distribution</b>	<b>2,068</b>	<b>2,096</b>	<b>964</b>	<b>1,105</b>

The carrying amount of inventories for distribution are measured at cost as at 31 December 2012 and therefore, the carrying amount at current replacement cost is NIL (2011 - NIL).

Inventories are made up of consumables and inventories held for distribution to campuses. Consumables are materials or supplies which will be consumed in conjunction with the delivery of services and predominantly comprise books and resources used in the teaching of courses to taurira.

During the year, a write-off of inventories occurred due to a change in resources and technologies required in a number of programmes. This write-off amounted to \$86,269 in 2012 (2011 - \$129,167). There have been no reversals of write-offs (2011 - NIL).

No inventories are pledged as security for liabilities.



## Notes to the financial statements (continued)

### 9 Creditors and other payables

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
Trade payables	4,003	3,326	3,541	2,437
Accrued expenses	2,695	3,814	2,463	3,554
Other government funding	544	636	544	636
Income in advance	56	-	-	-
Pay As You Earn Tax	1,701	1,581	1,538	1,494
Goods and Services Tax	1,563	1,575	1,289	1,406
	10,562	10,932	9,375	9,527
<b>Related party payable:</b>				
Subsidiary - Open Wānanga Limited				
and Open English Limited	-	-	7,012	8,703
	10,562	10,932	16,387	18,230

Creditors and other payables are non-interest bearing and are normally settled on terms varying between 7 days and 20th of the month following invoice date. Therefore, the carrying value of trade and other payables approximates their fair value.

For terms and conditions relating to related parties payables, refer to note 18.

## 10 Provisions

### a Employee Entitlements

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
Accrued salaries	390	2,057	222	1,773
Annual leave	5,132	3,959	4,594	3,605
Sick leave	208	204	193	175
	<b>5,730</b>	<b>6,220</b>	<b>5,009</b>	<b>5,553</b>

Annual leave and sick leave entitlements expected to be settled within 12 months of the balance sheet date are measured at the current rates of pay and classified as current liabilities.

### b Provision

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
Lease make-good	195	-	117	-
	<b>195</b>	<b>-</b>	<b>117</b>	<b>-</b>

#### Group

Movements for each class of provision are as follows:

	Lease make-good \$'000	Total \$'000
Balance at 1 January 2012	-	-
Additional provisions	195	195
Amounts used	-	-
Unused amounts reversed	-	-
Discount unwind	-	-
Balance at 31 December 2012	<b>195</b>	<b>195</b>

#### Parent

Movements for each class of provision are as follows:

	Lease make-good \$'000	Total \$'000
Balance at 1 January 2012	-	-
Additional provisions	117	117
Amounts used	-	-
Unused amounts reversed	-	-
Discount unwind	-	-
Balance at 31 December 2012	<b>117</b>	<b>117</b>

In respect of a number of its leased premises, Te Wānanga o Aotearoa is required at the expiry of the lease term to make-good any damage caused to the premises. In many cases, Te Wānanga o Aotearoa has the option to renew these leases, which impacts on the timing of expected cash outflows to make-good the premises.

The cash flows associated with the non-current portion of the lease make-good provision are expected to occur in December 2014, December 2015 and August 2018. Information about Te Wānanga o Aotearoa's leasing arrangements is disclosed in note 17.

## Notes to the financial statements (continued)

### 11 Property, plant and equipment

Group			Total Land & Buildings	Leasehold Improvements	Equipment
2012	Land \$'000	Buildings \$'000	Buildings \$'000	\$'000	\$'000
Opening cost at 1 January 2012	22,068	49,163	71,231	4,495	1,258
Additions	2,750	6,754	9,504	246	147
Disposals	-	-	-	-	-
Reclassification	-	831	831	(831)	-
Impairment	-	(1)	(1)	(949)	-
Revaluation	(1,538)	(9,414)	(10,952)	-	-
<b>Closing cost at 31 December 2012</b>	<b>23,280</b>	<b>47,333</b>	<b>70,613</b>	<b>2,961</b>	<b>1,405</b>
Opening accumulated depreciation at 1 January 2012	-	(4,483)	(4,483)	(2,685)	(740)
Depreciation	-	(2,856)	(2,856)	(310)	(190)
Disposals	-	-	-	-	-
Reclassification	-	(653)	(653)	653	-
Impairment	-	-	-	819	-
Revaluation	-	7,992	7,992	-	-
<b>Closing accumulated depreciation at 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,523)</b>	<b>(930)</b>
<b>NBV At 1 January 2012</b>	<b>22,068</b>	<b>44,680</b>	<b>66,748</b>	<b>1,810</b>	<b>518</b>
<b>NBV At 31 December 2012</b>	<b>23,280</b>	<b>47,333</b>	<b>70,613</b>	<b>1,438</b>	<b>475</b>
<b>2011</b>					
Opening cost at 1 January 2011	22,068	43,790	65,858	5,284	4,379
Additions	-	3,580	3,580	1,223	277
Disposals	-	-	-	(36)	(205)
Reclassification	-	1,812	1,812	109	(2,452)
Impairment	-	(19)	(19)	(2,085)	(741)
Revaluations	-	-	-	-	-
<b>Closing cost at 31 December 2011</b>	<b>22,068</b>	<b>49,163</b>	<b>71,231</b>	<b>4,495</b>	<b>1,258</b>
Opening accumulated depreciation at 1 January 2011	-	(293)	(293)	(3,747)	(3,059)
Depreciation	-	(2,495)	(2,495)	(602)	(320)
Disposals	-	-	-	27	34
Reclassification	-	(1,714)	(1,714)	47	1,965
Impairment	-	19	19	1,590	640
Revaluations	-	-	-	-	-
<b>Closing accumulated depreciation at 31 December 2011</b>	<b>-</b>	<b>(4,483)</b>	<b>(4,483)</b>	<b>(2,685)</b>	<b>(740)</b>
<b>NBV At 1 January 2011</b>	<b>22,068</b>	<b>43,497</b>	<b>65,565</b>	<b>1,537</b>	<b>1,320</b>
<b>NBV At 31 December 2011</b>	<b>22,068</b>	<b>44,680</b>	<b>66,748</b>	<b>1,810</b>	<b>518</b>

	Computers \$'000	Furniture & Fittings \$'000	Motor Vehicles \$'000	Waka \$'000	Artwork \$'000	Library \$'000	VLC \$'000	WIP \$'000	Total \$'000
	3,219	203	8,618	1,146	2,781	5,816	2,507	1,594	102,868
	594	110	1,553	137	1,114	773	398	4,753	19,329
	(10)	-	(538)	-	-	-	-	(5,074)	(5,622)
	-	-	-	-	-	-	-	-	-
	(368)	-	(143)	(11)	(447)	(373)	(290)	-	(2,582)
	-	-	-	-	-	-	-	-	(10,952)
	3,435	313	9,490	1,272	3,448	6,216	2,615	1,273	103,041
	(2,565)	(193)	(5,481)	(653)	-	(3,251)	(2,163)	-	(22,214)
	(396)	(23)	(1,335)	(39)	-	(668)	(328)	-	(6,145)
	4	-	464	-	-	-	-	-	468
	-	-	-	-	-	-	-	-	-
	364	-	139	7	-	361	290	-	1,980
	-	-	-	-	-	-	-	-	7,992
	(2,593)	(216)	(6,213)	(685)	-	(3,558)	(2,201)	-	(17,919)
	654	10	3,137	493	2,781	2,565	344	1,594	80,654
	842	97	3,277	587	3,448	2,658	414	1,273	85,122
	2,804	1,103	7,457	1,172	1,462	5,383	2,074	988	97,964
	197	1	1,312	5	1,352	786	433	5,574	14,740
	(54)	(1)	(624)	-	-	-	-	(4,968)	(5,888)
	658	(388)	473	(13)	-	-	-	-	199
	(386)	(512)	-	(18)	(33)	(353)	-	-	(4,147)
	-	-	-	-	-	-	-	-	-
	3,219	203	8,618	1,146	2,781	5,816	2,507	1,594	102,868
	(2,123)	(1,026)	(4,412)	(623)	-	(2,973)	(1,637)	-	(19,893)
	(498)	(25)	(1,152)	(50)	-	(580)	(526)	-	(6,248)
	18	-	539	-	-	-	-	-	618
	(346)	358	(456)	8	-	-	-	-	(138)
	384	500	-	12	-	302	-	-	3,447
	-	-	-	-	-	-	-	-	-
	(2,565)	(193)	(5,481)	(653)	-	(3,251)	(2,163)	-	(22,214)
	681	77	3,045	549	1,462	2,410	437	988	78,071
	654	10	3,137	493	2,781	2,565	344	1,594	80,654



## Notes to the financial statements (continued)

### 11 Property, plant and equipment (continued)

Parent 2012	Land \$'000	Buildings \$'000	Total Land & Buildings \$'000	Leasehold Improvements \$'000	Equipment \$'000
Opening cost at 1 January 2012	21,818	47,873	69,691	4,304	1,179
Additions	2,750	6,731	9,481	160	59
Disposals	-	-	-	-	-
Reclassification	-	831	831	(831)	-
Impairment	-	(1)	(1)	(949)	-
Revaluation	(1,538)	(9,301)	(10,839)	-	-
<b>Closing cost at 31 December 2012</b>	<b>23,030</b>	<b>46,133</b>	<b>69,163</b>	<b>2,684</b>	<b>1,238</b>
Opening accumulated depreciation at 1 January 2012	-	(4,393)	(4,393)	(2,643)	(683)
Depreciation	-	(2,758)	(2,758)	(222)	(172)
Disposals	-	-	-	-	-
Reclassification	-	(653)	(653)	653	-
Impairment	-	-	-	819	-
Revaluation	-	7,804	7,804	-	-
<b>Closing accumulated depreciation at 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,393)</b>	<b>(855)</b>
<b>NBV At 1 January 2012</b>	<b>21,818</b>	<b>43,480</b>	<b>65,298</b>	<b>1,661</b>	<b>496</b>
<b>NBV At 31 December 2012</b>	<b>23,030</b>	<b>46,133</b>	<b>69,163</b>	<b>1,291</b>	<b>383</b>
<b>2011</b>					
Opening cost at 1 January 2011	21,818	42,640	64,458	5,247	4,312
Additions	-	3,440	3,440	1,033	265
Disposals	-	-	-	-	(205)
Reclassification	-	1,812	1,812	109	(2,452)
Impairment	-	(19)	(19)	(2,085)	(741)
Revaluations	-	-	-	-	-
<b>Closing cost at 31 December 2011</b>	<b>21,818</b>	<b>47,873</b>	<b>69,691</b>	<b>4,304</b>	<b>1,179</b>
Opening accumulated depreciation at 1 January 2011	-	(295)	(295)	(3,726)	(3,006)
Depreciation	-	(2,403)	(2,403)	(554)	(316)
Disposals	-	-	-	-	34
Reclassification	-	(1,714)	(1,714)	47	1,965
Impairment	-	19	19	1,590	640
Revaluations	-	-	-	-	-
<b>Closing accumulated depreciation at 31 December 2011</b>	<b>-</b>	<b>(4,393)</b>	<b>(4,393)</b>	<b>(2,643)</b>	<b>(683)</b>
<b>NBV At 1 January 2011</b>	<b>21,818</b>	<b>42,345</b>	<b>64,163</b>	<b>1,521</b>	<b>1,306</b>
<b>NBV At 31 December 2011</b>	<b>21,818</b>	<b>43,480</b>	<b>65,298</b>	<b>1,661</b>	<b>496</b>

	Computers \$'000	Furniture & Fittings \$'000	Motor Vehicles \$'000	Waka \$'000	Artwork \$'000	Library \$'000	VLC \$'000	WIP \$'000	Total \$'000
	2,639	175	7,541	1,146	2,580	5,816	2,507	1,594	99,172
	397	-	1,335	137	1,077	773	398	4,676	18,493
	-	-	(499)	-	-	-	-	(5,074)	(5,573)
	-	-	-	-	-	-	-	-	-
	(368)	-	(143)	(11)	(447)	(373)	(290)	-	(2,582)
	-	-	-	-	-	-	-	-	(10,839)
	<b>2,668</b>	<b>175</b>	<b>8,234</b>	<b>1,272</b>	<b>3,210</b>	<b>6,216</b>	<b>2,615</b>	<b>1,196</b>	<b>98,671</b>
	(1,991)	(165)	(4,897)	(653)	-	(3,251)	(2,163)	-	(20,839)
	(372)	(7)	(1,125)	(39)	-	(668)	(328)	-	(5,691)
	-	-	429	-	-	-	-	-	429
	-	-	-	-	-	-	-	-	-
	364	-	139	7	-	361	290	-	1,980
	-	-	-	-	-	-	-	-	7,804
	<b>(1,999)</b>	<b>(172)</b>	<b>(5,454)</b>	<b>(685)</b>	<b>-</b>	<b>(3,558)</b>	<b>(2,201)</b>	<b>-</b>	<b>(16,317)</b>
	648	10	2,644	493	2,580	2,565	344	1,594	78,333
	669	3	2,780	587	3,210	2,658	414	1,196	82,354
	2,224	1,075	6,474	1,172	1,304	5,383	2,074	919	94,642
	197	-	1,197	5	1,309	786	433	5,573	14,238
	(54)	-	(603)	-	-	-	-	(4,898)	(5,760)
	658	(388)	473	(13)	-	-	-	-	199
	(386)	(512)	-	(18)	(33)	(353)	-	-	(4,147)
	-	-	-	-	-	-	-	-	-
	<b>2,639</b>	<b>175</b>	<b>7,541</b>	<b>1,146</b>	<b>2,580</b>	<b>5,816</b>	<b>2,507</b>	<b>1,594</b>	<b>99,172</b>
	(1,551)	(998)	(4,008)	(623)	-	(2,973)	(1,637)	-	(18,817)
	(496)	(25)	(966)	(50)	-	(580)	(526)	-	(5,916)
	18	-	533	-	-	-	-	-	585
	(346)	358	(456)	8	-	-	-	-	(138)
	384	500	-	12	-	302	-	-	3,447
	-	-	-	-	-	-	-	-	-
	<b>(1,991)</b>	<b>(165)</b>	<b>(4,897)</b>	<b>(653)</b>	<b>-</b>	<b>(3,251)</b>	<b>(2,163)</b>	<b>-</b>	<b>(20,839)</b>
	673	77	2,466	549	1,304	2,410	437	919	75,825
	648	10	2,644	493	2,580	2,565	344	1,594	78,333

## Notes to the financial statements (continued)

### 11 Property, plant and equipment (continued)

#### Valuation

##### Land

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

The most recent valuation of land was performed by registered independent valuers William Hickey and Dave Wigmore of Jones Lang LaSalle and the valuation is effective as at 31 December 2012.

##### Buildings

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

Depreciated replacement cost is determined using a number of significant assumptions including:

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

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

The most recent valuation of buildings was performed by registered independent valuers William Hickey and Dave Wigmore of Jones Lang LaSalle and the valuation is effective as at 31 December 2012.

##### Work in progress

The total value of property, plant and equipment in the course of construction is \$1,195,898 (2011 - \$1,593,661).

## 12 Intangible assets

Programme development costs were incurred in developing Bachelor of Maori Art, Diploma in Tu Taua, Certificate in Computing and Certificate in Career Preparation - Police.

Group 2012	Programme		WIP \$'000	Total \$'000
	Software \$'000	Development \$'000		
Opening cost at 1 January 2012	2,711	9,964	1,400	14,075
Additions	220	1,136	1,965	3,321
Impairment	-	(112)	-	(112)
Reclassification	-	-	-	-
Disposals	-	-	(1,155)	(1,155)
<b>Closing cost at 31 December 2012</b>	<b>2,931</b>	<b>10,988</b>	<b>2,210</b>	<b>16,129</b>
Opening accumulated amortisation at 1 January 2012	(1,346)	(6,793)	-	(8,139)
Amortisation	(484)	(1,031)	-	(1,515)
Impairment	-	23	-	23
Reclassification	-	-	-	-
Disposals	-	-	-	-
<b>Closing accumulated amortisation at 31 December 2012</b>	<b>(1,830)</b>	<b>(7,801)</b>	<b>-</b>	<b>(9,631)</b>
<b>NBV at 1 January 2012</b>	<b>1,365</b>	<b>3,171</b>	<b>1,400</b>	<b>5,936</b>
<b>NBV at 31 December 2012</b>	<b>1,101</b>	<b>3,187</b>	<b>2,210</b>	<b>6,498</b>

<b>2011</b>				
Opening cost at 1 January 2011	1,441	8,664	1,886	11,991
Additions	991	1,380	1,389	3,760
Impairment	(34)	(80)	(178)	(292)
Reclassification	313	-	-	313
Disposals	-	-	(1,697)	(1,697)
<b>Closing cost at 31 December 2011</b>	<b>2,711</b>	<b>9,964</b>	<b>1,400</b>	<b>14,075</b>
Opening accumulated amortisation at 1 January 2011	(733)	(5,652)	-	(6,385)
Amortisation	(352)	(1,196)	-	(1,548)
Impairment	34	55	-	89
Reclassification	(295)	-	-	(295)
Disposals	-	-	-	-
<b>Closing accumulated amortisation at 31 December 2011</b>	<b>(1,346)</b>	<b>(6,793)</b>	<b>-</b>	<b>(8,139)</b>
<b>NBV at 1 January 2011</b>	<b>708</b>	<b>3,012</b>	<b>1,886</b>	<b>5,606</b>
<b>NBV at 31 December 2011</b>	<b>1,365</b>	<b>3,171</b>	<b>1,400</b>	<b>5,936</b>



## Notes to the financial statements (continued)

### 12 Intangible assets (continued)

Parent 2012	Software \$'000	Programme Development \$'000	WIP \$'000	Total \$'000
Opening cost at 1 January 2012	1,790	5,602	931	8,323
Additions	-	991	1,128	2,119
Impairment	-	(112)	-	(112)
Reclassification	-	-	-	-
Disposals	-	-	(664)	(664)
<b>Closing cost at 31 December 2012</b>	<b>1,790</b>	<b>6,481</b>	<b>1,395</b>	<b>9,666</b>
Opening accumulated amortisation at 1 January 2012	(703)	(4,096)	-	(4,799)
Amortisation	(365)	(591)	-	(956)
Impairment	-	23	-	23
Reclassification	-	-	-	-
Disposals	-	-	-	-
<b>Closing accumulated amortisation at 31 December 2012</b>	<b>(1,068)</b>	<b>(4,664)</b>	<b>-</b>	<b>(5,732)</b>
<b>NBV at 1 January 2012</b>	<b>1,087</b>	<b>1,506</b>	<b>931</b>	<b>3,524</b>
<b>NBV at 31 December 2012</b>	<b>722</b>	<b>1,817</b>	<b>1,395</b>	<b>3,934</b>
<b>2011</b>				
Opening cost at 1 January 2011	555	5,382	1,318	7,255
Additions	956	300	1,164	2,420
Impairment	(34)	(80)	(178)	(292)
Reclassification	313	-	-	313
Disposals	-	-	(1,373)	(1,373)
<b>Closing cost at 31 December 2011</b>	<b>1,790</b>	<b>5,602</b>	<b>931</b>	<b>8,323</b>
Opening accumulated amortisation at 1 January 2011	(186)	(3,285)	-	(3,471)
Amortisation	(256)	(866)	-	(1,122)
Impairment	34	55	-	89
Reclassification	(295)	-	-	(295)
Disposals	-	-	-	-
<b>Closing accumulated amortisation at 31 December 2011</b>	<b>(703)</b>	<b>(4,096)</b>	<b>-</b>	<b>(4,799)</b>
<b>NBV at 1 January 2011</b>	<b>369</b>	<b>2,097</b>	<b>1,318</b>	<b>3,784</b>
<b>NBV at 31 December 2011</b>	<b>1,087</b>	<b>1,506</b>	<b>931</b>	<b>3,524</b>

There are no restrictions over the title of Te Wānanga o Aotearoa intangible assets, nor are any intangible assets pledged as security for liabilities.

Te Wānanga o Aotearoa wrote off intangible assets of \$111,837 in 2012 consisting of two programmes, He Waka Tangata (Introduction) \$56,475 and He Waka Tangata (Applied) \$55,362. (2011 - \$257,651, consisting of: Diploma in Ta Moko \$80,000, work-in-progress - Diploma in Hauora \$128,563 and short courses \$49,088).

### 13 Investment in Open Wānanga Limited

Open Wānanga Limited is a fully owned subsidiary of Te Wānanga o Aotearoa and is in the business of education. The balance date of the company is 31 December. The results of Open Wānanga Limited are consolidated into the group financial statements.

## 14 Early learning centres

During 2012, Te Wānanga o Aotearoa received grants from the Ministry of Education for early learning purposes.

	2012 \$'000	2011 \$'000
<b>Apakura Te Kakano</b>		
Bulk funding	392	302
Incentive funding		
Language and kaupapa	2	2
Training	-	2
Total Ministry of Education funding received	394	306
Funds applied to:		
Salaries	394	306
Total	394	306
<b>Nga Kakano o te Manukau</b>		
Bulk funding	441	524
Incentive funding		
Low socio-economic	11	9
Special needs	5	4
Training	-	6
Total Ministry of Education funding received	457	543
Funds applied to:		
Salaries	457	507
Property occupancy costs	-	30
Professional development	-	6
Total	457	543
<b>Te Rau Oriwa</b>		
Bulk funding	655	536
Incentive funding		
Low socio-economic	14	9
Special needs	7	5
Language and kaupapa	2	2
Training	-	5
Total Ministry of Education funding received	678	557
Funds applied to:		
Salaries	555	507
Faculty support	31	-
Resources	-	15
Property occupancy costs	30	30
Capital expenditure	7	-
Professional development	-	5
Unallocated expenditure	55	-
Total	678	557
<b>Raroera Te Puawai</b>		
Bulk funding	574	480
Incentive funding		
Low socio-economic	6	4
Special needs	6	4
Language and kaupapa	2	2
Training	-	5
Total Ministry of Education funding received	588	495
Funds applied to:		
Salaries	539	495
Property occupancy costs	24	-
Resources	7	-
Capital expenditure	18	-
Total	588	495
<b>Whare Amai</b>		
Bulk funding	350	-
Incentive funding		
Low socio-economic	-	-
Special needs	-	-
Language and kaupapa	-	-
Training	-	-
Total Ministry of Education funding received	350	-
Funds applied to:		
Salaries	350	-
Total	350	-

Whare Amai was opened in February 2012

## Notes to the financial statements (continued)

### 15. Financial instruments

#### Financial instrument categories

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

	Group 2012 \$000	Group 2011 \$000	Parent 2012 \$000	Parent 2011 \$000
<b>FINANCIAL ASSETS</b>				
Loans and receivables				
Cash and cash equivalents	5,376	10,223	4,703	9,191
Debtors and other receivables	3,248	2,672	2,938	2,476
Other financial assets:				
Term deposits	53,004	49,467	49,213	45,844
<b>Total loans and receivables</b>	<b>61,628</b>	<b>62,362</b>	<b>56,854</b>	<b>57,511</b>
<b>FINANCIAL LIABILITIES at amortised cost</b>				
Creditors and other payables	10,562	10,932	16,387	18,230
<b>Total financial liabilities at amortised cost</b>	<b>10,562</b>	<b>10,932</b>	<b>16,387</b>	<b>18,230</b>

#### Financial value hierarchy disclosures

For those instruments recognised at fair value on 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 technique using observable inputs - 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; and
- Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are not observable.

## Financial instrument risks

Te Wānanga o Aotearoa has policies to manage risks associated with financial instruments. Te Wānanga o Aotearoa is risk averse and seeks to minimise exposure from its treasury activities. The policies do not allow any transactions that are speculative in nature to be entered into.

### (a) Market Risk

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Te Wānanga o Aotearoa has only limited exposure to foreign currency risk. Te Wānanga o Aotearoa purchases library items from overseas and also attends overseas conferences which exposes it to currency risk.

Where transactions in foreign currencies are forecast that are material to Te Wānanga o Aotearoa, forward exchange contracts are entered into to diminish the risk of fluctuations in exchange rates.

#### 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 Wānanga o Aotearoa does not actively manage its exposure to fair value interest rate risk.

#### Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates create exposure to cash flow interest rate risk.

### (b) Credit risk

Credit risk is the risk that a third party will default on its obligation to Te Wānanga o Aotearoa causing Te Wānanga o Aotearoa to incur a loss. Due to the timing of its cash inflows and outflows, Te Wānanga o Aotearoa invests surplus cash into term deposits and government bonds which gives rise to credit risk.

In the normal course of business, Te Wānanga o Aotearoa is exposed to credit risk from cash and term deposits with banks, debtors and other receivables and government bonds. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

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

Receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant as a result of the ability to withhold graduation from taura who do not pay their fees.

Te Wānanga o Aotearoa holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.

## Credit quality of financial assets

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

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Counterparties with credit ratings</b>				
Cash at bank and term deposits				
AA-	58,418	59,690	53,915	55,035
<b>Total cash at bank and term deposits</b>	<b>58,418</b>	<b>59,690</b>	<b>53,915</b>	<b>55,035</b>
<b>Counterparties without credit ratings</b>				
Debtors and other receivables				
Existing counterparty with no defaults in the past	3,248	2,672	2,938	2,476
<b>Total debtors and other receivables</b>	<b>3,248</b>	<b>2,672</b>	<b>2,938</b>	<b>2,476</b>
<b>Total financial instrument assets</b>	<b>61,666</b>	<b>62,362</b>	<b>56,853</b>	<b>57,511</b>



## Notes to the financial statements (continued)

### 15 Financial instruments (continued)

#### (c) Liquidity risk

##### Management of liquidity risk

Liquidity risk is the risk that Te Wānanga o Aotearoa 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 Wānanga o Aotearoa aims to maintain flexibility in funding by keeping committed credit lines available.

Te Wānanga o Aotearoa has an overdraft facility of \$1 million in place. (\$1 million 2011). There are no restrictions on the use of this facility.

Te Wānanga o Aotearoa manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

##### Contractual maturity analysis of financial liabilities

The table below shows an analysis of Te Wānanga o Aotearoa financial liabilities grouped according to maturity, based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
<b>Group 2012</b>						
Creditors and other payables	10,562	10,562	10,562	-	-	-
Accrued pay	390	390	390	-	-	-
<b>Total</b>	<b>10,952</b>	<b>10,952</b>	<b>10,952</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Parent 2012</b>						
Creditors and other payables	16,387	16,387	16,387	-	-	-
Accrued pay	222	222	222	-	-	-
<b>Total</b>	<b>16,609</b>	<b>16,609</b>	<b>16,609</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Group 2011</b>						
Creditors and other payables	10,932	10,932	10,932	-	-	-
Accrued pay	2,057	2,057	2,057	-	-	-
<b>Total</b>	<b>12,989</b>	<b>12,989</b>	<b>12,989</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Parent 2011</b>						
Creditors and other payables	18,230	18,230	18,230	-	-	-
Accrued pay	1,773	1,773	1,773	-	-	-
<b>Total</b>	<b>20,003</b>	<b>20,003</b>	<b>20,003</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Contractual maturity analysis of financial assets

The table below shows an analysis of Te Wānanga o Aotearoa financial assets grouped according to maturity, based on the remaining period at the balance date to the contractual maturity date.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
<b>Group 2012</b>						
Cash and cash equivalents	5,376	5,376	5,376	-	-	-
Debtors and other receivables	3,248	3,248	3,248	-	-	-
Other financial assets - term deposits	53,004	53,004	39,791	7,500	5,713	-
<b>Total</b>	<b>61,628</b>	<b>61,628</b>	<b>48,415</b>	<b>7,500</b>	<b>5,713</b>	<b>-</b>
<b>Parent 2012</b>						
Cash and cash equivalents	4,703	4,703	4,703	-	-	-
Debtors and other receivables	2,938	2,938	2,938	-	-	-
Other financial assets - term deposits	49,213	49,213	36,000	7,500	5,713	-
<b>Total</b>	<b>56,854</b>	<b>56,854</b>	<b>43,641</b>	<b>7,500</b>	<b>5,713</b>	<b>-</b>
<b>Group 2011</b>						
Cash and cash equivalents	10,223	10,223	10,223	-	-	-
Debtors and other receivables	2,672	2,672	2,672	-	-	-
Other financial assets - term deposits	49,467	49,467	36,123	3,000	10,344	-
<b>Total</b>	<b>62,362</b>	<b>62,362</b>	<b>49,018</b>	<b>3,000</b>	<b>10,344</b>	<b>-</b>
<b>Parent 2011</b>						
Cash and cash equivalents	9,191	9,191	9,191	-	-	-
Debtors and other receivables	2,476	2,476	2,476	-	-	-
Other financial assets - term deposits	45,844	45,844	32,500	3,000	10,344	-
<b>Total</b>	<b>57,511</b>	<b>57,511</b>	<b>44,167</b>	<b>3,000</b>	<b>10,344</b>	<b>-</b>

## Notes to the financial statements (continued)

### 15 Financial instruments (continued)

#### (d) Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements with all variables held constant based on the financial instrument exposures of Te Wānanga o Aotearoa at balance sheet date.

	Note	2012 \$000				2011 \$000			
		-100bps Other Equity		+100bps Other Equity		-100bps Other Equity		+100bps Other Equity	
		Surplus		Surplus		Surplus		Surplus	
Group									
Interest rate risk									
Financial assets									
Cash and cash equivalents	1	(53)	-	53	-	(102)	-	102	-
Total sensitivity to interest rate risk		(53)	-	53	-	(102)	-	102	-

	Note	2012 \$000				2011 \$000			
		-100bps Other Equity		+100bps Other Equity		-100bps Other Equity		+100bps Other Equity	
		Surplus		Surplus		Surplus		Surplus	
Parent									
Interest rate risk									
Financial assets									
Cash and cash equivalents	1	(47)	-	47	-	(92)	-	92	-
Total sensitivity to interest rate risk		(47)	-	47	-	(92)	-	92	-

#### 1. Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%.

#### (e) Capital Management

The capital of Te Wānanga o Aotearoa is its equity, which comprises retained earnings and property revaluation. Equity is represented by net assets.

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

Te Wānanga o Aotearoa manages its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Te Wānanga o Aotearoa's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings.

The objective of managing Te Wānanga o Aotearoa's equity is to ensure that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

## 16 Equity

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
<b>Retained Earnings</b>				
Balance at 1 January	121,293	114,007	104,066	95,610
Surplus/(deficit) for the year	7,947	7,286	9,091	8,456
Capital Contributions from the Crown	-	-	-	-
<b>Balance at 31 December</b>	<b>129,240</b>	<b>121,293</b>	<b>113,157</b>	<b>104,066</b>
<b>Property revaluation reserves</b>				
Balance at 1 January	12,485	12,485	12,437	12,437
Land and buildings net revaluation gains/ (losses)	(2,961)	-	(3,035)	-
<b>Balance at 31 December</b>	<b>9,524</b>	<b>12,485</b>	<b>9,402</b>	<b>12,437</b>
<b>Total Equity</b>	<b>138,764</b>	<b>133,778</b>	<b>122,559</b>	<b>116,503</b>

### Capital contributions

The Crown has made equity contributions to Te Wānanga o Aotearoa in line with the recommendations outlined in the Wānanga Capital Establishment Report - Waitangi Tribunal Report 1999 (WAI 718). To date, the Crown has made Equity contributions of \$71,811,000. During 2012 an adjustment from Retained Earnings to Crown Equity of \$11,811,000 was made to correct a prior period classification error. As at 31 December 2011, the balance was \$60,000,000.

### Suspensory loan

The equity contributions for the suspensory loan agreed to in 1999 were completed in 2010 (\$20,000,000) and were recognised directly in equity on receipt to reflect the substance of the transactions and that it was more than probable all the funding deliverables would be achieved. The final confirmation of the equity conversion for the suspensory loan was received in 2011.

### Property revaluation reserves

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
Land and buildings	9,524	12,485	9,402	12,437



## Notes to the financial statements (continued)

### 17 Statement of commitments and contingencies

#### (a) Commitments

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
Capital commitments				
Property, plant and equipment	1,033	2,251	1,033	2,251
	<b>1,033</b>	<b>2,251</b>	<b>1,033</b>	<b>2,251</b>

Capital commitments represent capital expenditure contracted for at balance date, but not yet incurred.

#### *Operating lease commitments - Group as lessee*

The group has entered commercial leases on certain buildings where it is not in the best interest of the group to purchase these assets.

These leases have an average life of between one and six years with renewal terms included in the contracts. Renewals are at the option of the group. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
Within one year	3,815	4,098	2,893	3,212
After one year but no more than five years	5,517	4,890	2,968	3,627
More than five years	938	1,688	-	-
	<b>10,270</b>	<b>10,676</b>	<b>5,861</b>	<b>6,839</b>

#### *Operating lease commitments - Group as lessor*

The group owns a number of buildings and has entered commercial leases where it is not in the best interest of the group to use these buildings for their operations.

These leases have an average life of between one and two years with renewal terms included in the contracts. Renewals are at the option of the lessee. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	Group 2012 \$'000	Group 2011 \$'000	Parent 2012 \$'000	Parent 2011 \$'000
Within one year	108	162	108	162
After one year but no more than five years	-	54	-	54
	<b>108</b>	<b>216</b>	<b>108</b>	<b>216</b>

No contingent rents have been recognised in surplus or deficit during the period.

## (b) Contingencies

### Personal grievances

As at 31 December 2012, there were no outstanding personal grievances claims against Te Wānanga o Aotearoa (2011 - one).

### Contingent Liabilities

#### Litigation

Te Wānanga o Aotearoa has one contingent liabilities as at balance date (2011 - NIL).

If successful, the estimated settlement costs would be approximately \$4,200.

Open Wānanga Limited has one contingent liability as at balance date (2011 - NIL).

If successful, the estimated settlement costs would be approximately \$15,000.

#### Government funding

Te Wānanga o Aotearoa has a contingent liability of \$692,533 (2011 - \$692,533) related to the creation of a new early learning centre in Manukau. In order to fulfill the conditions of funding the centre must remain open for ten years. The centre opened in 2008 and must remain open until 2018. Failure to achieve this will result in the repayment of funding.

#### Financial guarantee

Te Wānanga o Aotearoa entered an arrangement in 2008 with the Bank of New Zealand to provide a guarantee for Open Wānanga Limited.

### Contingent Assets

Te Wānanga o Aotearoa has no contingent assets as at balance date (2011 - NIL).

## 18 Related party disclosure

The consolidated financial statements include the financial statements of Te Wānanga o Aotearoa and its subsidiaries Open Wānanga Limited and the Aotearoa Scholarship Trust.

	Country of Incorporation	Equity Interest		Investment	
		2012 %	2011 %	2012 \$'000	2011 \$'000
Open Wānanga Limited	New Zealand	100	100	1	1
Papatoa Forestry Limited	New Zealand	100	100	-	-
Aotearoa Scholarship Trust	New Zealand	100	100	-	-

### 18.1 Open Wānanga Limited (including subsidiary Open English Limited)

Open Wānanga Limited is a wholly owned subsidiary of Te Wānanga o Aotearoa. The board of Open Wānanga Limited is appointed by the Te Mana Whakahaere of Te Wānanga o Aotearoa. Open Wānanga Limited provides educational services for Te Wānanga o Aotearoa and Te Wānanga o Aotearoa is part of the Open Wānanga Limited provider network.

In May 2011, Open Wānanga Limited established a subsidiary company, Open English Limited. The subsidiary took over the English language delivery that was previously delivered by Open Wānanga Limited. In July 2011, Open English Limited purchased the assets of Dynaspeak English Limited, being the Dynaspeak English programme designed for delivery to international taura. Dynaspeak English Limited continued to hold the accreditation for delivery to international taura until September when Te Wānanga o Aotearoa was accredited and purchased the Dynaspeak programme.

	2012 \$'000	2011 \$'000
Sales to Open Wānanga Limited and Open English Limited	1,348	1,481
Purchases from Open Wānanga Limited and Open English Limited	25,419	24,543
Donations from Open Wānanga Limited	5,413	6,468

## Notes to the financial statements (continued)

### 18 Related party disclosure (continued)

	2012 \$'000	2011 \$'000
Amounts owing by and to Open Wānanga Limited and Open English Limited		
Trade receivables	24	13
Trade payables	7,012	8,703

#### 18.2 Dynaspeak English Limited

Patrick Ibbertson is a director of Dynaspeak English Limited and is the general manager of Open English Limited, a wholly owned subsidiary of Open Wānanga Limited. Dynaspeak English Limited holds international taura funds at balance sheet date in a separate trust account. Open English Limited invoices Dynaspeak English Limited for these funds. Open English Limited paid Dynaspeak English Limited for the purchase of the programme, rent and homestay fees.

	2012 \$'000	2011 \$'000
Sales to Dynaspeak English Limited	696	979
Payments to Dynaspeak English Limited	16	31

	2012 \$'000	2011 \$'000
Amounts owing by and to Dynaspeak English Limited		
Trade receivables	209	156

Dynaspeak English Limited is not a related party for Parent in 2012.

#### 18.3 Aotearoa Scholarship Trust

Aotearoa Scholarship Trust is a wholly owned subsidiary of Te Wānanga o Aotearoa and was established in April 2010. The board of trustees is appointed by Te Mana Whakahaere of Te Wānanga o Aotearoa. Aotearoa Scholarship Trust provides scholarships for taura of Te Wānanga o Aotearoa.

	2012 \$'000	2011 \$'000
Sales to Aotearoa Scholarship Trust	16	95
Scholarships to Aotearoa Scholarship Trust	67	83
Payments to Aotearoa Scholarship Trust	66	20

	2012 \$'000	2011 \$'000
Amounts owing by and to Aotearoa Scholarship Trust		
Trade receivables	-	-
Trade payables	-	-

Aotearoa Scholarship Trust registered for GST on 1 July 2012.

#### 18.4 The Tertiary Education Commission

Deirdre Dale is a Te Mana Whakahaere member of Te Wānanga o Aotearoa and was also a commissioner of the Tertiary Education Commission (TEC) until September 2011. The TEC provides funding to Te Wānanga o Aotearoa to enable it to provide educational services.

	2012 \$'000	2011 \$'000
Sales to Tertiary Education Commission	-	100,809
Purchases from Tertiary Education Commission	-	-
Amounts owing by and to Tertiary Education Commission	2012 \$'000	2011 \$'000
Trade receivables	-	-
Trade payables	-	-

The Tertiary Education Commission is no longer a related party in 2012.

#### 18.5 The University of Auckland

Manuka Henare is a Te Mana Whakahaere member of Te Wānanga o Aotearoa and is also an employee of the University of Auckland. The University of Auckland has made a contribution towards the Maori into Tertiary Education (MITE) project.

	2012 \$'000	2011 \$'000
Sales to the University of Auckland	45	-
Purchases from the University of Auckland	-	1
Amounts owing by and to the University of Auckland	2012 \$'000	2011 \$'000
Trade receivables	-	-
Trade payables	-	-

#### 18.6 Te Tau Ihu o Ngā Wānanga

Bentham Ohia is Te Pouhere (Chief Executive Officer) of Te Wānanga o Aotearoa and is also the chair of Te Tau Ihu o Ngā Wānanga. Te Tau Ihu o Ngā Wānanga is the collective name of the three wānanga in New Zealand: Te Wānanga o Raukawa, Te Whare Wānanga o Awanuiarangi and Te Wānanga o Aotearoa. All three wānanga pay an annual subscription to Te Tau Ihu o Ngā Wānanga.

	2012 \$'000	2011 \$'000
Sales to Te Tau Ihu o Ngā Wānanga	-	-
Purchases from Te Tau Ihu o Ngā Wānanga	20	20
Amounts owing by and to Te Tau Ihu o Ngā Wānanga	2012 \$'000	2011 \$'000
Trade receivables	-	-
Trade payables	-	-



## Notes to the financial statements (continued)

### 18 Related party disclosure (continued)

#### 18.7 Manukau Institute of Technology

Manuka Henare is a Te Mana Whakahaere member of Te Wānanga o Aotearoa and is a Te Mana Whakahaere member of Manukau Institute of Technology. Te Wānanga o Aotearoa rents rooms from Manukau Institute of Technology to deliver Te Ara Reo Māori programmes. Manukau Institute of Technology has made a contribution towards the Maori into Tertiary Education (MITE) project.

	2012 \$'000	2011 \$'000
Sales to Manukau Institute of Technology	1	-
Purchases from Manukau Institute of Technology	1	16
	2012 \$'000	2011 \$'000
Amounts owing by and to Manukau Institute of Technology		
Trade receivables	52	-
Trade payables	-	10

#### 18.8 Advancement of Māori Opportunity (AMO)

Bentham Ohia is Te Pouhere of Te Wānanga o Aotearoa and is the president of AMO. Te Wānanga o Aotearoa use AMO in one off projects and hired them for voice over work in 2011.

	2012 \$'000	2011 \$'000
Sales to Advancement of Māori Opportunity	-	-
Purchases from Advancement of Māori Opportunity	-	2
	2012 \$'000	2011 \$'000
Amounts owing by and to Advancement of Māori Opportunity		
Trade receivables	-	-
Trade payables	-	-

#### 18.9 Te Waka Pupuri Putea Limited

June McCabe is a Te Mana Whakahaere member of Te Wānanga o Aotearoa and is also a director of Te Waka Pupuri Putea Limited. Te Wānanga o Aotearoa rented office space for 12 months in 2012 from Te Waka Pupuri Putea Limited.

	2012 \$'000	2011 \$'000
Sales to Te Waka Pupuri Putea Limited	-	-
Purchases from Te Waka Pupuri Putea Limited	16	3
	2012 \$'000	2011 \$'000
Amounts owing by and to Te Waka Pupuri Putea Limited		
Trade receivables	-	-
Trade payables	2	1

#### 18.10 GTL Investments Limited

GTL Investments Limited is a fully owned subsidiary of Aotearoa Institute. William Wetere is the brother of Kingi Wetere. Rongo Wetere is the father of Kingi Wetere, both William and Rongo are trustees of Aotearoa Institute. Open Wānanga Limited purchases tauira learning resources from GTL Investments Limited.

	2012 \$'000	2011 \$'000
Purchases from GTL Investments Limited	598	632
	2012 \$'000	2011 \$'000
Amounts owing by and to GTL Investments Limited		
Trade payables	-	142

GTL Investments Limited is not a related party for the parent in 2012.

### 18.11 Tai Wānanga

Mana Forbes is a Te Mana Whakahaere member of Te Wānanga o Aotearoa and is also the chair of the Board of Trustees of Tai Wānanga. Te Wānanga o Aotearoa provides administration services for Tai Wānanga.

	2012 \$'000	2011 \$'000
Sales to Tai Wānanga	57	521
	2012 \$'000	2011 \$'000
Amounts owing by and to Tai Wānanga		
Trade receivables	1	2
Trade payables	-	-

Te Wānanga o Aotearoa is the parent of the group and controls two entities, being Open Wānanga Limited and the Aotearoa Scholarship Trust.

#### ***Significant transactions with government-related entities***

The government influences the roles of Te Wānanga o Aotearoa as well as being a major source of revenue. Te Wānanga o Aotearoa has received funding and grants from the Tertiary Education Commission totalling \$135.109m (2011 - \$133.376m) to provide education and research services for the year ended 31 December 2012.

#### ***Collectively, but not individually, significant transactions with government-related entities***

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

Te Wānanga o Aotearoa is exempt from paying income tax, resident withholding tax and FBT.

Te Wānanga o Aotearoa purchases goods and services from entities related to the Crown and it also provides services to entities related to the Crown.

The purchase and provision of goods and services to government-related entities for the year ended 31 December 2012 are small when compared to the total expenditure and revenue of Te Wānanga o Aotearoa and have all been conducted on an arms length basis. The purchase of goods and services included the purchase of electricity from Genesis, air travel from Air New Zealand and postal services from New Zealand Post. The provision of services to government-related entities mainly related to the provision of educational courses.

#### ***Terms and conditions of transactions with related parties***

Provision of services to and purchases from related parties are made in arm's length transactions at both normal market prices and normal commercial terms.

Outstanding balances at 31 December 2012 and 2011 are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables.

For the year ended 31 December 2012, the group has not raised any provision for impairment of receivables relating to amounts owed by related parties as the payment history has been excellent, (2011 - NIL). This assessment is undertaken each financial year following an examination of the financial position of the related party and the market in which the related party operates in.

When assessed as required the group raises such a provision.

## Notes to the financial statements (continued)

### 19 Key Personnel Remuneration

#### Te Mana Whakahaere remuneration

Wages and salaries includes Te Mana Whakahaere and sub-committees remuneration of \$120,286 (2011 - \$83,702) distributed as follows:

		Appointment Date	Retirement Date	2012 \$'000	2011 \$'000
Richard Batley	Council / Audit & Risk	Aug-04	-	25	25
Tania Hodges	Council	Oct-01	-	15	8
Mana Forbes	Council	Jun-98	-	10	5
Lloyd Anderson	Council / Audit & Risk	Nov-93	-	11	10
June McCabe	Council	Mar-05	-	12	6
Toby Curtis	Council	Apr-09	-	10	8
Peter Joseph	Council	Sep-07	-	4	3
Deirdre Dale	Council / Audit & Risk	Jan-08	-	7	6
Matthew Goodall	Council	Nov-09	Jul-11	-	2
Manuka Henare	Council	Jan-06	-	4	2
Wayne McLean	Audit & Risk	Jul-08	-	2	2
Steve Ruru	Audit & Risk	Jun-10	-	1	2
Jo Hymers	Council	Jul-11	Sep-12	5	2
Gary Dyll	Audit & Risk	Aug-11	-	1	1
Nicholas Manukau	Council	Sep-12	-	3	-
Colleen Tuuta	Council	Aug-11	-	11	2
				121	84

#### Directors fees paid by Open Wānanga were as follows:

	2012 \$'000	2011 \$'000
Richard Batley	45	45
Lloyd Anderson	18	18
June McCabe	18	18
	81	81

#### Key management personnel compensation

	2012 \$'000	2011 \$'000
Kaihautū	1,192	1,179
Te Mana Whakahaere	121	84
	1,313	1,263

	Group 2012 \$'000	Group 2011 \$'000
Short term and employee welfare benefits	1,313	1,263
Termination payments	-	-
	1,313	1,263

## **20 Events after the balance date**

There were no events after the balance date.

## **21 Performance against budget**

### **Statement of comprehensive income**

#### ***Student Fees***

Taura fees income is below budget by \$2.4m due to lower than expected international taura enrolments and a change in the programme mix.

#### ***Other income***

Other income is above budget by \$1.7m due to a joint venture with Unitec (carpentry programme), the successful tender of a Ministry of Social Development contract for youth mentoring services and a gain realised from a stocktake of artwork.

#### ***Personnel costs***

Personnel costs are below budget by \$1.2m due to delayed and lower staff appointments than expected.

#### ***Other expenses***

Other expenses are below budget by \$1.2m due to lower than expected spend in taura resources and consultancy.

### **Statement of financial position**

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

Group property, plant and equipment is below budget by \$3.5m as a result of the decrease in property valuation.

#### ***Cash and other financial assets***

Cash and other financial assets are above budget by \$7.3m due to a higher than anticipated surplus and opening account position.





Te Wānanga o Aotearoa

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