



Te Wānanga o Aotearoa



# Te Pūrongo

Annual Report **2013**



# He maioha

Tuia i runga, tuia i raro, ka rongo te  
pō, ka rongo te ao, i te kōrero, i te  
wānanga

Kei te wānangananga te pō, kei te  
wānangananga te ao

E ngā tauira whakamaua kia tina!

Matika ake te kupu tapu ki te runga  
rawa, he tauwhirotanga nui ka tau  
iho ki runga ki te whenua, tatū noa  
ki a Kīngi Tuheitia e noho ana i te  
taumata. Huihuia atu koutou kei aku  
amokura ki te taiopenga wairua, ki  
reira koutou okioki atu ai. E kore e  
mutu te tangi, whakangaro atu rā. Ko  
te akaaka o te rangi ki a rātou, ko te  
akaaka o te whenua ki a tātou, tēnā rā  
tātou katoa.

Kia rere tonu te komihi ki runga i ngā  
hau rangaranga, ki ngā toipuhipuhi o  
tērā whenua, tae noa ki ngā wai nui  
me ngā wai roa o tēnā takiwā, o tēnā  
whaitua, o tēnā whāwhārua me ōna  
kāwai whakaheke. Kōpakina ana hoki  
te kupu whakaoha e te aroha o Te  
Wānanga o Aotearoa e whakamānawa  
atu nei mō koutou e tautoko tonu nei i  
te kaupapa, tēnā rā koutou katoa.

Nei anō Te Pūrongo te whakarewa  
atu nā hei wherawhera mā koutou,  
hei wānanga mā koutou, me kore  
noa e kite i ngā whakahaerenga a Te  
Wānanga o Aotearoa i te tau kua huri  
me te kite i te ahunga o Te Wānanga o  
Aotearoa i runga i ngā huanui o te wā.

Kāti mai rā i koneki kei aku rangatira,  
tēnā rā koutou katoa.

*Tamiahō Herangi-Searancke  
at the Pōwhiri for incoming  
Te Taiurungi Jim Mather*



# Rarangi upoko

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Te Wānanga o Aotearoa

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Te Wānanga o Aotearoa

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# 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  
ōhāki 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 one, 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 mātāpono

Guiding principles

## Te Ūnga Matua *Strategic destination*

### WHĀNAU TRANSFORMATION THROUGH EDUCATION.

Our purpose is to provide unique, high quality educational opportunities for Māori, and all others, which contributes to positive transformational changes for our taura through achievement of their aspirations and goals.

## Ko Ngā Uara *The values*

The 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 taura. By achieving success for taura 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



#### Ngā Ture

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



#### Te Whakapono

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



#### Kotahitanga

Unity amongst iwi and other ethnicities; standing as one

# Ngā whakahirahiranga

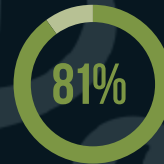
## Highlights

Te Wānanga o Aotearoa celebrated a broad range of achievements during 2013 in our quest to achieve whānau transformation through education. These pages provide some highlights.

## SUPPORTING TAUIRA TO ACHIEVE SUCCESS



**COURSE COMPLETION**



**QUALIFICATION COMPLETION**

## TAKING EDUCATION TO THE PEOPLE

NUMBER OF TAUIRA (HEAD COUNT)



**31,808**

NUMBER OF TAUIRA (EFTS)



**20,362**

DELIVERY TOWNS AND CITIES



**50**



## WORKING WITH PRIORITY LEARNERS

NUMBER OF TAUIRA MĀORI



**15,843**

NUMBER OF PASIFIKA TAUIRA



**3,247**

NUMBER OF UNDER 25-YEAR-OLD TAUIRA



**4,826**

HEAD COUNT  
EQUIVALENT FULL TIME STUDENTS (EFTS)



## SUPPORTING ENGAGEMENT WITH PATHWAYS OF LEARNING

CERTIFICATE LEVEL QUALIFICATIONS  
(LEVELS 1,2,3 AND 4)

41

DIPLOMA AND GRADUATE  
CERTIFICATE LEVEL QUALIFICATIONS  
(LEVELS 5 AND 6)

10

DEGREE AND POST-GRADUATE  
DIPLOMA LEVEL QUALIFICATIONS  
(LEVEL 7 AND ABOVE)

9



## SATISFYING OUR TAUIRA

TAUIRA WHO WOULD RECOMMEND THEIR  
QUALIFICATION TO ANOTHER PERSON

95%

TAUIRA WHO SAID THEIR UNDERSTANDING OF  
MĀTAURANGA MĀORI INCREASED

77%

TAUIRA WHO SAID THAT THEIR QUALIFICATION HAD  
IMPROVED THEIR ABILITY TO DO THEIR JOB

67%

TAUIRA WHO ENROLLED IN FURTHER STUDY AFTER  
COMPLETING THEIR QUALIFICATION IN 2012

53%

## ENSURING FINANCIAL SUSTAINABILITY

\$4.03  
MILLION

SURPLUS

\$152  
MILLION

TOTAL  
INCOME

\$143  
MILLION

NET  
ASSETS

## WORKING TO FULFIL TE KAUPAPA

92%

KAIMAHI WHO BELIEVE  
THEIR WORK IS OF  
SIGNIFICANCE

93%

KAIMAHI WHO ARE  
PROUD TO WORK FOR TE  
WĀNANGA O AOTEAROA





# Tā Te Heamana

Chairperson's report

It is a pleasure to present the 2013 annual report; it has been another year of significant progress and achievement for Te Wānanga o Aotearoa.

I would like to acknowledge the efforts of our kaimahi who are responsible for the exceptional educational results and strong financial result that characterised our 2013 year.

As an organisation, we continued to strive to improve on our already strong educational performance. In 2013, we met and in a number of cases exceeded our targets.

This year marked the seventh straight year of financial surplus for Te Wānanga o Aotearoa. The surplus of \$4.03 million is very respectable and has been achieved despite government policies limiting enrolments, capped funding and escalating operating costs. Our continued internal focus on increased efficiencies and fiscal control has had a positive effect.



*This year marked the seventh straight year of financial surplus for Te Wānanga o Aotearoa*

Richard Batley



In April Te Mana Whakahaere concluded a robust and thorough process to seek out the very best chief executive to lead the next phase of our organisation's development. As a result of this process, Jim Mather was appointed as Te Taiurungi (chief executive) of Te Wānanga o Aotearoa in late October. I have been very impressed with the dynamism and enthusiasm he has shown in becoming fully abreast of the various aspects of our wānanga. He has invested the appropriate level of time and energy to ensure he understands our nationwide operation that provides education to almost 32,000 taura and which employs 1,429 kaimahi across Aotearoa.

Te Wānanga o Aotearoa is a complex, diverse and essential part of the New Zealand tertiary education landscape, and in order to ensure he was fully conversant with the key facets and priorities of the business, Jim engaged a 90 day plan and has set a clear pathway for moving forward. I welcome Jim to the team and look forward to his role in leading the next stage of our organisational development.

I would like to take this time to acknowledge the performance and achievement of former chief executive, Te Pouhere, Bentham Ohia who concluded more than 20 years of service with Te Wānanga o Aotearoa, including seven years as chief executive, in June of this year.

Bentham navigated a particularly difficult period for our organisation. The introduction of a 'capped environment' necessitated internal restructuring and a period of consolidation. Bentham achieved very good outcomes in respect of both these matters. We wish him and his whānau all the best as they embark on new endeavours.

The organisation now faces fresh challenges and the need for further improvement, rationalisation, innovation and refinement are areas that our governing body have identified as priorities.

In 2013, Te Mana Whakahaere reaffirmed another priority in respect of its own structure. We recognised that our organisation has to have an effective and efficient streamlined governing body that possesses the appropriate skills to govern a large complex organisation such as Te Wānanga o Aotearoa. During the year the second phase of the governance review was completed. Our review provided a pre-emptive approach to develop a governance model that is reduced in size and aims to make our council more responsive, more effective, more robust, and more agile. These elements are essential for our organisation to thrive in a very competitive environment. We completed a comprehensive consultation with kaimahi and taura in 2013 and this consultation will continue with our external stakeholders in 2014. Our review paralleled the Government-led review of governance structures across the university and wānanga sectors and we hope to begin implementation of our new model in 2014/2015.

There were a number of changes in the membership of Te Mana Whakahaere during 2013 and I would like to thank those who concluded their terms and welcome

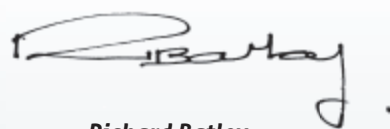
our new members.

Thank you to government appointees Deirdre Dale and June McCabe, academic elected member Raukura Ropiha and taura elected member Nicholas Manukau whose terms ended during the year. The knowledge, experience and commitment they brought was valuable and contributed towards the success of our organisation.

Welcome to our new government appointees Rea Wikaira and Karl Wixon, academic elected member Tony Iwikau and taura elected member Angelina Matekohi.

The year also saw the Kīngitanga take up the opportunity to nominate a representative to Te Mana Whakahaere, and as a result Tukoroirangi Morgan was appointed.

Finally, I would like to take this opportunity to acknowledge Te Mana Whakahaere member, Lloyd Anderson who concluded more than 20 years of service this year. Lloyd has always been a passionate advocate for our organisation and his community. His length of service, commitment and performance deserves special recognition.



**Richard Batley**  
Te Heamana

*The organisation now faces fresh challenges and the need for further improvement, rationalisation, innovation and refinement are areas that our governing body have identified as priorities*

# Tā Te Taiurungi

Chief Executive's report

Kei ngā tōpū mana, kei ngā ihoiho o ngā maunga,  
kei aku whakateitei, tēnā rā koutau katoa. He  
tuatahitanga tēnei māku ki te whakatakoto i Te  
Pūrongo a Te Wānanga o Aotearoa, ā, nōku hoki te  
māringanui i riro i a au te tūranga hei Taiurungi mō  
tēnei kaupapa rangatira rawa atu.

Mai i tōku tīmatanga, i āta rangona  
ai, i āta kitea ai te wairua me te  
āhuatanga Māori i roto i ngā mahi  
katoa, tae atu hoki ki te ngākau  
nui o ōku hoamahi o Te Wānanga  
o Aotearoa ki te kaupapa. He nui  
nō tō rātau manawa tītī, tō rātau  
whakapono, tō rātau aroha, me tō  
rātau kaha ki te hiki i te kaupapa  
e kaha nei te tū o te whare. Hoki  
mai ki tāku, arā he hāpai tonu i  
aua mātāpono katoa i roto i aku  
whakaritenga hei kaikōkiri mō ngā  
tūmanako o Te Wānanga o Aotearoa  
e whai hua tonu ai te katoa, ā, mau  
ake nei.

Kei te mihi ki huarahi o te iwi  
mātātoa pērā i a Rongo Wetere  
mā, i a Bentham Ohia mā hoki, ā,  
māku te Te Wānanga o Aotearoa hei  
whakatipu i runga i tā rātau katoa  
i whakatakoto ai hei tūāpapa mō  
ngā iwi kei te whai mai. Nō reira,  
kei ngā ringaringa o te nāiane te  
kaupapa, ā, māku, mā Te Wānanga  
o Aotearoa katoa e kawē tōna ora  
ki tōna taumata tika kia rite ai mō  
ngā tau tini kei mua i te aroaro. Tēnā  
tātau katoa.

*At the outset of my appointment it was  
essential for me to travel throughout  
the country to meet our people and to  
see first-hand the significant work that  
is delivered to provide*

*'Whānau transformation  
through education'*

Jim Mather

It is a privilege to present my first annual report as Te Taiurungi (Chief Executive) of Te Wānanga o Aotearoa.

I was humbled and honoured by the pōhiri that took place in late October to welcome me into the whānau of Te Wānanga o Aotearoa as their new leader. I remain grateful for the display of tikanga, mātauranga Māori, passion and commitment that I witnessed at the time. It was a powerful demonstration of the philosophy and values that are embedded in our organisation.

At the outset of my appointment it was essential for me to travel throughout the country to meet our people and to see first-hand the significant work that is delivered to provide 'Whānau transformation through education'. Our kaimahi are dedicated, loyal, passionate and are deeply connected to the educational journey of our taura.

It is this commitment that has ensured the continued strong performance that characterises this year's annual report. 2013 was another year of strong performance and financial surplus for Te Wānanga o Aotearoa.

In 2013, our 1,429 kaimahi supported 31,808 taura throughout Aotearoa to achieve their educational aspirations. In doing so, we met and often exceeded our Tertiary Education Commission targets. Our course completion rate was 81% and our

## *Our first steps must be to review the structure and leadership of our organisation*

qualification completion rate of 81% exceeded the Investment Plan target of 73%. Our retention rate was 75% and our progression rate was 42%.

It is also pleasing to report that we continue to increase the numbers of under 25 year olds who enrol in our organisation. This saw the numbers increase to 4,826 taura in 2013. High youth unemployment and the under-performance of particularly young Māori and Pacific youth in secondary school pose ongoing productivity issues for this country. It is imperative that education and training solutions are provided to re-invigorate and pathway youth to employment or further education. We are proud to provide a powerful contribution to what is a nationwide problem.

For the 2013 financial year a group surplus of \$4.03 million was achieved. While this is a strong outcome, this amount was down on the surplus of 2012 and reflects the ongoing impact of Crown policy that has capped EFTS numbers for our organisation since 2007. For more than seven years we have worked to absorb the effects of inflation and the inevitable increases in the cost of serving our taura. We are now reaching the

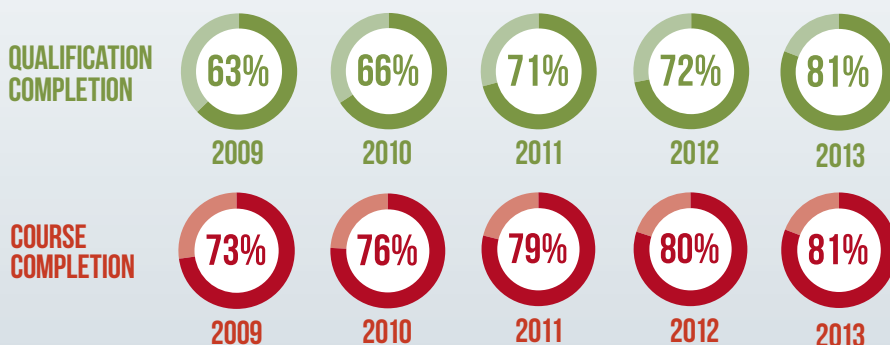
end of our organisation's ability to continue to do so which is a strong signal that we need to adapt the way in which we operate.

The added pressure of government policy and an absolute reluctance by our organisation to increase fees or to begin charging fees on a greater number of our programmes, has been the catalyst for the implementation of an organisational refinement and transformation programme which will be completed over a two year period from 2014.

The strategic destination of Te Wānanga o Aotearoa is 'Whānau transformation through education'. The process builds on and aligns with key themes derived from a series of strategic planning hui held with Ngā Kaihautū (the executive leadership team) to reflect on our current position and robustly review our future direction. The outputs from those planning sessions included five key areas of focus for the next three years. These are:

### **Educational excellence**

Te Wānanga o Aotearoa will provide educational excellence, from programme design to programme delivery, which includes quality teaching and learning methodologies and practices. Our taura must experience excellence during their educational journey so that they can thrive.





## Effective leadership

Te Wānanga o Aotearoa has a strong internal culture with an extraordinarily committed whānau whānui. However, we also have a highly complex business model with 96 different programmes being delivered at 120 sites in 50 towns and cities across the country. Although every kaimahi has ideas about how we might achieve success, our first steps must be to review the structure and leadership of our organisation to consolidate our focus, improve workflows and remove inconsistencies in resourcing. We will refine our organisational structure to support the right mix of managers who will be empowered through a system of high trust and high accountability that emphasises an attitude of 'the buck stops here'. Further development of our leadership team will require a shift in thinking based on a collective commitment to doing the right things at the right times to achieve the right results. Our managers will be supported by a formal strategic leadership development programme designed to produce a defined and consistent adaptive leadership style.

## Strengthen our brand

After having intentionally 'flown under the radar' for a number of years, our brand is not widely recognised in Aotearoa New Zealand and we are generally considered one of the country's best kept secrets. Our desire to keep a low profile has arisen from a risk-averse culture with a focus on reinforcing the 'status quo'. However, it is now time for Te Wānanga o Aotearoa to demonstrate that we are a leading Māori development

organisation with both international and nationwide reach and strong networks that include iwi, Tertiary Education Institutes, Industry Training Organisations, businesses and communities.

We must use our brand to clarify what it is we stand for – 'Whānau transformation through education'. We must begin portraying a more progressive, capable, high-value, and confident organisational attitude. Our new brand position will emphasise a unified approach and will portray us as a resilient and innovative organisation that produces high quality education augmented by unique, positive and inclusive Māori elements.

## Innovation

Te Wānanga o Aotearoa has a long history of innovation within the confines of the tertiary education funding system. Our future business model will be adapted to meet changing government policies, declining traditional revenue streams and the changing expectations of our taura and other external stakeholders. It will also be designed to enable us to bring alternative revenue streams into our core business and to nurture a culture of innovation.

## Communication

Clarity and simplicity of key messages are essential elements in unifying our whānau whānui with a single purpose of 'telling our story better' and more effectively communicating our unique contribution to the tertiary sector and our wider communities. We will bring accountability to our communications and cohesion to the messages we communicate – both internally and externally. We

will consolidate our organisational communications function to ensure that key information is shared with all kaimahi in a clear, consistent and unambiguous way.

In closing, I would like to take this opportunity to thank Te Mana Whakahaere for entrusting me with the position of Te Taiurungi to lead this next phase in the development of Te Wānanga o Aotearoa.

I would like to acknowledge the efforts of those who led Te Wānanga o Aotearoa before me, founder Dr Rongo Wetere, and my predecessor Bentham Ohia. These two leaders laid the foundations and built an organisation that has changed the lives of hundreds of thousands of people, many of whom had experienced only failure through the mainstream education system.

I also acknowledge and humbly thank our kaimahi for the passion and commitment they provide that stands Te Wānanga o Aotearoa apart from all other tertiary education providers. Finally I would like to acknowledge the tens of thousands of taura who are at the heart of everything we do - who are the whānau we help transform through education.

Nei rā te mihi maioha ki ā koutau katoa.



**Jim Mather**  
Ngāti Awa, Ngāi Tahu  
Te Taiurungi

*whakatapu, whakahāngai, whakaeke*

**BUILD, ADAPT, SUCCEED**

# Ngā Kaihautū

Executive directors



## JIM MATHER

BBus, MBA, ACA

Te Taiurungi from October 2013  
(Chief Executive)

Ngāti Awa, Ngāi Tahu

## DR SHANE EDWARDS

NCB, GDipHE, DipTchg, BEd,  
PGGDipEcoDev, MA (Hons), PhD

Kaihautū - Research

Kaihautū - Quality Improvement to  
June 2013

(Executive Director - Quality)

Kaihautū - Marautanga from June 2013

(Executive Director - Curriculum)

Ngāti Maniapoto



## KIERAN HEWITSON

BSocSci

Acting Kaihautū - Marautanga  
to June 2013 (Acting Executive  
Director - Curriculum)

Ngāti Porou me  
Te Whānau-a-Apanui

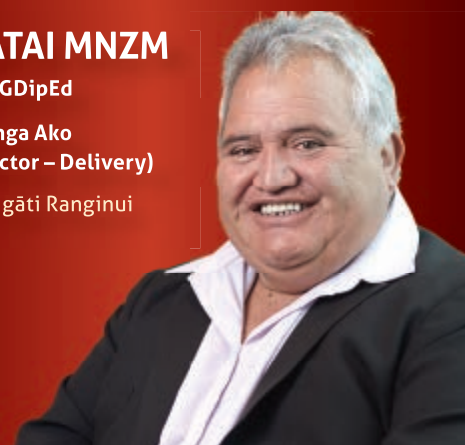
## TURI NGATAI MNZM

DipTchg, BEd, PGDipEd

Kaihautū - Kōunga Ako

(Executive Director - Delivery)

Ngāi Te Rangi, Ngāti Ranginui



## HINERANGI RAUMATI-TU'UA

MNZM, BMS, MMS, FCA

Kaihautū - Titiraukura  
(Executive Director - Operations)

Ngāti Mutunga, Waikato

## KINGI WETERE

NZCE

General Manager  
- Open Wānanga

Ngāti Maniapoto



Bentham Ohia completed his tenure as  
Te Pouhere (Chief Executive) in June 2013.

# He whakamahukitanga

Organisational profile

## A brief history

Founded in 1983, the organisation originally provided local training and education options as an alternative to the mainstream education providers of the time. The Waipā Kōkiri Arts Centre (as it was 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 tauira rushed to join our hugely popular programmes. Key among these were programmes that provided stepping stones into tertiary education, established foundation education skills, relinked tauira with their culture and motivated them towards employment. Te Wānanga o Aotearoa quickly became the

largest tertiary institution in the country, growing from 1,008 tauira in 1999 to 66,756 in 2004.

This rapid growth tested our systems and in 2005 the government appointed a Crown Manager to work with kaimahi to consolidate the organisation. This work was completed in 2008 and Te Wānanga o Aotearoa turned its focus to increasing tauira success and implementing quality systems that were fit for the future and founded on mātauranga Māori.

For the period 2008 to 2013 we continued to reinforce that position by introducing new qualifications from certificate to masters level, increasing tauira success and implementing quality systems that reflected tikanga Māori and āhuatanga Māori. In 2013, 31,808 tauira chose to enrol with Te Wānanga o Aotearoa, seeking to engage in an innovative and rewarding way of learning.

## The future

Te Wānanga o Aotearoa continues to explore what it means to be a 21st Century, values-driven, Māori organisation that is at the forefront of indigenous development. We seek to revisit 'traditional ways of being and doing' in search of effective strategies that will assist us to realise our 2030 Strategic Attributes.

*whakatapu, whakahāngai, whakaēke*

BUILD ► ADAPT ► SUCCEED



## 2030 Strategic Attributes

Our 2030 Strategic Attributes are our long-term plan and describe the nature of our organisation in 2030.

Strategic Attributes:

- Nurturing mātauranga Māori
- Consolidating organisational sustainability
- Delivering highly valued, relevant skills
- Driving innovative education
- Promoting whānau transformation
- Encouraging uptake
- Leading indigenous rangahau
- Supporting tauira success
- Protecting the environment
- Maintaining healthy relationships

For the 2014 to 2016 period, our focus will be on educational excellence, leadership, brand, communication and innovation to ensure we are on the pathway to achieving our 2030 Strategic Attributes.

Educational excellence means delivering teaching and learning that transforms the lives of our tauira and enables them to achieve their aspirations.

Leadership initiatives include developing people who will drive organisational success and results. Our brand and communication activities will clarify what we have to offer as a leading Māori development organisation and what we stand for – 'Whānau transformation through education'.

Innovation is crucial to achieving autonomy and we will identify innovative revenue streams that will enable Te Wānanga o Aotearoa to achieve independence and continue to respond to the needs of our people.

### Our qualifications

Our programmes meet the needs of our tauira as well as those of our key stakeholders. We deliver more than fifty qualifications across eight 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 Hīringa

Education and Social Services

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.

Face-to-face educational delivery at rohe is supported by the 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 taura who reside there and the qualifications offered to meet the unique needs of their local communities.



### Open Wānanga

**Hub location** - Te Awamutu

**Regions served** - Nationwide

**Number of taura** - 12,770

Open Wānanga delivers home-based foundation learning to taura throughout Aotearoa New Zealand. This approach eliminates geographical barriers that prevent many from engaging in education. Open Wānanga also delivers a range of English language qualifications for taura with English as a second language.

## Tāmaki Makaurau/Te Tai Tokerau

**Hub location** - Manukau – Auckland | **Number of tauira** - 8,134

**Key site locations** - Kaitiāia, Kaikohe, Whangarei, Manukau, New Lynn, Glenn Innes, Waitakere

Tauira studying in this rohe reflect the region's diverse population. Popular qualification choices at this rohe are computing, business and te reo Māori.

## Waiariki

**Hub location** - Rotorua | **Number of tauira** - 2,079

**Key site locations** - Tauranga, Rotorua, Whakatāne, Kawerau

The region is home to a large Māori population and this is reflected in the demographics for this rohe with over 70% of tauira identifying as Māori. Popular qualification choices are te reo Māori, computing and business.

## Tainui

**Hub location** - Hamilton | **Number of tauira** - 2,430

**Key site locations** - Huntly, Hamilton, Te Awamutu, Tokoroa, Te Kuiti

Tainui rohe focuses on attracting youth and providing tauira with qualifications that lead to employment. Qualifications with high enrolment numbers were te reo Māori, Māori arts and computing.

## Whirikoka

**Hub location** - Gisborne | **Number of tauira** - 1,193

**Key site locations** - Gisborne, Ōpōtiki, Wairoa

The rohe focuses on re-engaging people who have not had the opportunity to gain a formal qualification. Popular qualification choices are te reo Māori, Māori arts and business.

## Papaiōea

**Hub location** - Palmerston North | **Number of tauira** - 1,910

**Key site locations** - New Plymouth, Hastings, Whanganui, Palmerston North, Levin

Papaiōea rohe is committed to nurturing education with a focus on re-engaging all learners so that they can gain a formal qualification. The rohe utilises the strength of mātauranga Māori, tikanga and āhuatanga Māori to help provide a guide for all tauira.

## Te Tai Tonga

**Hub location** - Porirua | **Number of tauira** - 3,292

**Key site locations** - Porirua, Blenheim, Nelson, Christchurch, Wanaka, Queenstown

The tauira ethnicity demographics are similar to that of the tauira demographics for the organisation as a whole. Popular programmes are te reo Māori, business and computing.





## Ngā tauirā

Our students

**Our strategic destination - Whānau transformation through education articulates the organisation's desire to support our tauira to make positive changes to their lives and those of their whānau.**

To achieve this we are dedicated to promoting, providing and ensuring access to education. As part of this commitment, we encourage access by priority groups (Māori, Pasifika and under-25 year olds) and those who have not had the opportunity to successfully engage in education in their past. This means that our tauira demographic is diverse with many tauira having no previous qualifications and coming from all age groups. This diversity brings rich learning experiences for all tauira.

We are humbled by the transformational changes our tauira achieve and are grateful for the role that we are able to play in their educational journey.

The data in the following section is drawn from the December 2013 Single Data return submitted to the Ministry of Education. Data for age, gender, prior qualification and prior activity are Equivalent Full Time Students (EFTS) based whilst data for ethnicities and disabilities is based on a head count.

*Johnny Lokeni*

National Certificate in Career Preparation - Police Strand

# ENGAGEMENT | NUMBER OF TAUIRA

Tauira engagement is measured by the number of tauira enrolling at Te Wānanga o Aotearoa and the number of EFTS consumed each year. During 2013, we recorded a decrease in the number of tauira enrolling with us. The following chart shows the five year trend for tauira numbers.



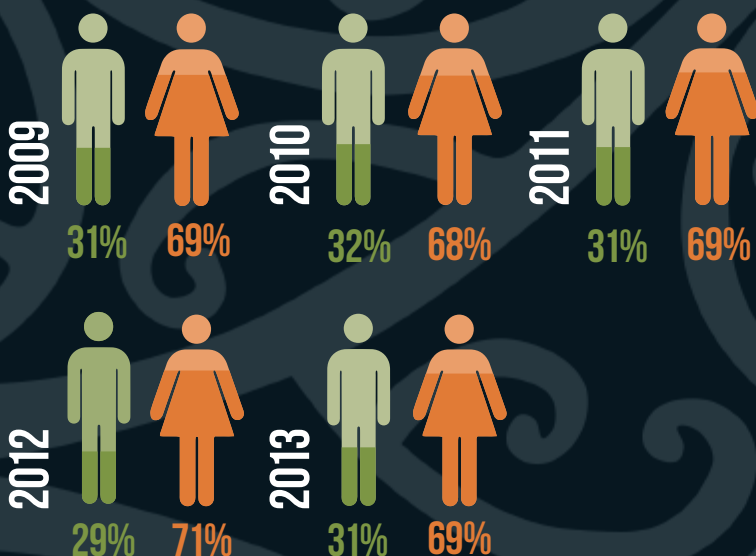
## CONSUMED EFTS

We also recorded an increase (186) in the number of EFTS consumed. Our EFTS target for 2013 was 20,402 against which we achieved 20,680 EFTS. The following chart shows the five year trend for consumed EFTS.



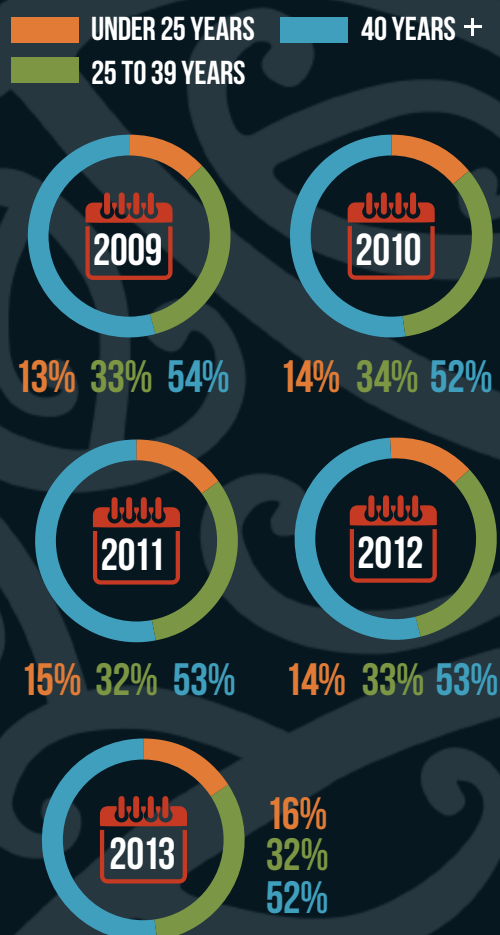
## GENDER

Our ability to attract a high proportion of females continued in 2013 with 69% of the tauira population being female. The following chart shows five year trends for the gender profile of our tauira.



## AGE

In 2013, the proportion of tauira aged under 25 years increased by 2 percentage points compared with 2012. This increase reflects one of our objectives to engage more youth in education. This increase is balanced by a decrease in the proportion of tauira aged between 25 to 39 years and those aged 40 years plus. The following chart shows five year trends for tauira age demographics.



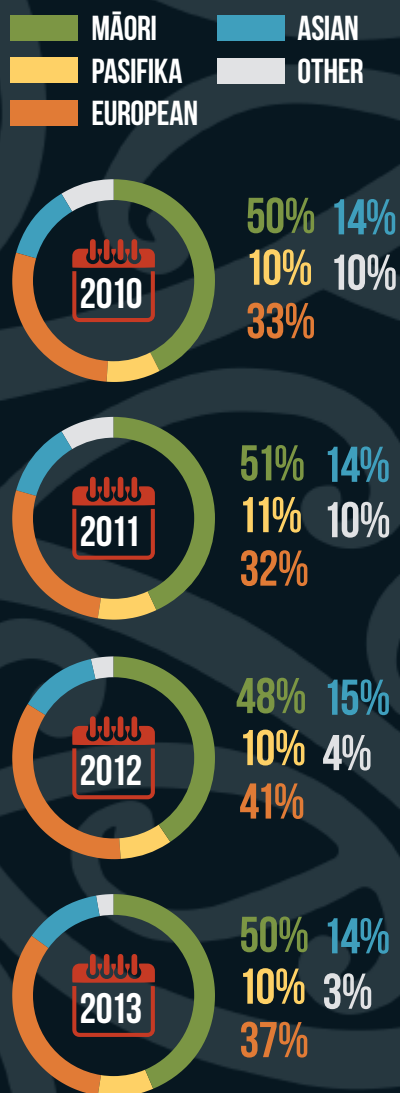
## SCHOLARSHIPS

Although there are a range of scholarships available from independent parties that our tauira can apply for, we provide additional financial assistance to our tauira through Aotearoa Scholarship Trust (AST) – a charitable trust we established to administer tauira scholarships. In 2013, AST awarded 20 scholarships to tauira totalling \$100,000. Scholarships were awarded to those studying at diploma level and above. All recipients were studying towards a qualification that will help them in their work and the initiatives in which they are engaged.



# ETHNICITY

Te Wānanga o Aotearoa is the largest single provider of tertiary education to Māori in Aotearoa New Zealand. In 2013, 15,843 taura (50%) who enrolled with us indicated they had Māori ancestry. In 2010, the way ethnicity statistics were reported changed and statistics produced prior to this date are not compatible with those produced since. For this reason, we present a four year trend for taura ethnicity as follows:



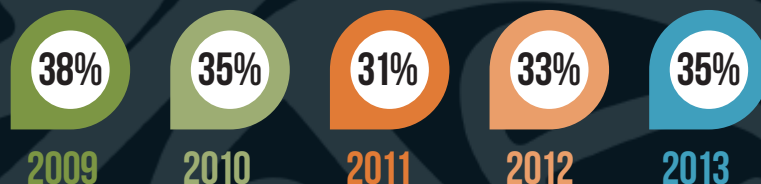
NB: These figures do not add up to 100% as a person can select more than one ethnicity.

# DISABILITIES

One of our key drivers is to ensure that people who experience disadvantages within the tertiary education system have equitable access to tertiary education. To reduce barriers, we ensure that we have facilities, resources and support systems that taura can draw from. In 2013, the proportion of taura with disabilities remained similar to previous years at 16%. This chart shows five year trends for the proportion of taura enrolling with us who reported having a disability that required additional support or resources.

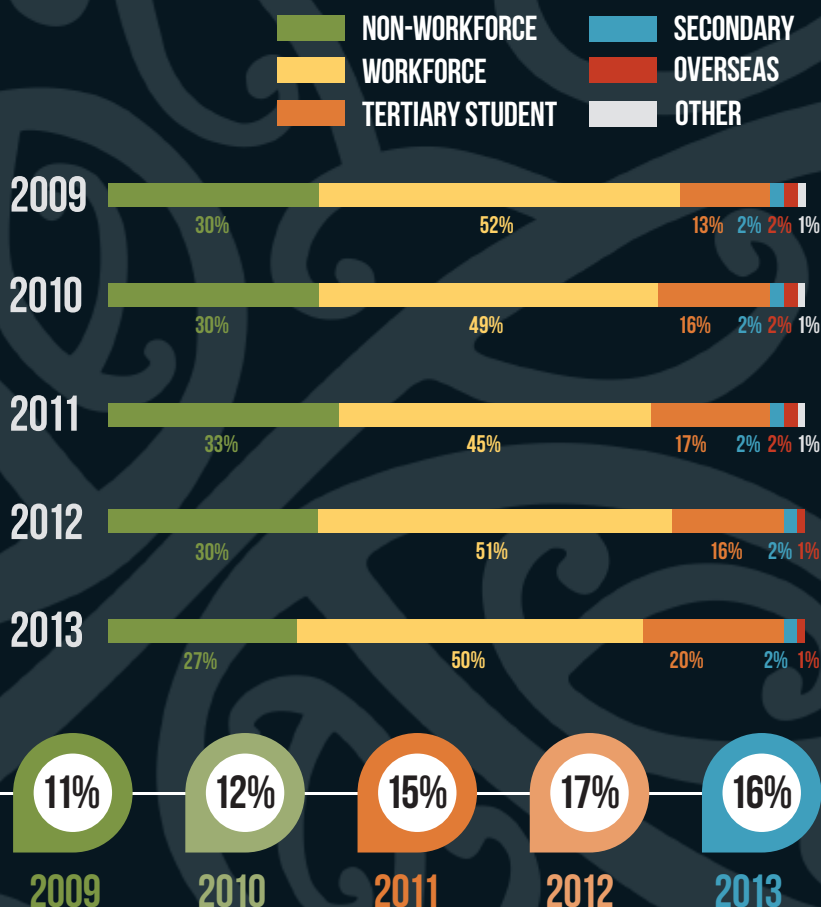
# PRIOR QUALIFICATION ATTAINMENT

Each year, a comparatively large proportion of our taura come to us without having attained a qualification, either at secondary school or at tertiary level. These people have often experienced years of underemployment and unemployment, and this had led them to recognise the important role education plays in gaining access to better jobs and higher wages. These taura enrol with us to start an educational journey where they are supported and encouraged to achieve by engaged kaiako and appropriate pastoral care and support systems. The following chart shows the five year trend for the proportion of taura enrolling with us who had not previously achieved a secondary or tertiary qualification.



# PRIOR ACTIVITY

The prior activity of our taura has remained relatively static over the past five years with 49% (27% Non-workforce, 20% tertiary student and 2% secondary student) of taura indicating that they 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.





# ngā kaimahi

Our staff members

Our status as a nationwide education provider means that our kaimahi are drawn from the communities in which we operate, enabling us to stay closely connected to our stakeholders.

Our commitment to ensuring equal opportunities for our taura extends to ensuring equal opportunities for our kaimahi.

Some of our initiatives include family-friendly working environments and support for kaimahi to undertake further studies and professional development.

## WĀNANGA ORA

Each year, Te Wānanga o Aotearoa completes an organisational climate survey called Wānanga Ora. The survey helps us gather information on kaimahi understanding of the organisation's strategic direction, values, goals, performance and satisfaction levels.

Job satisfaction measures remained similar to previous years with 93% of kaimahi saying that they were proud to work for Te Wānanga o Aotearoa and 92% of kaimahi saying that their work was significant to them.



KAIMAHI SAYING THAT  
THEIR WORK WAS  
SIGNIFICANT TO THEM

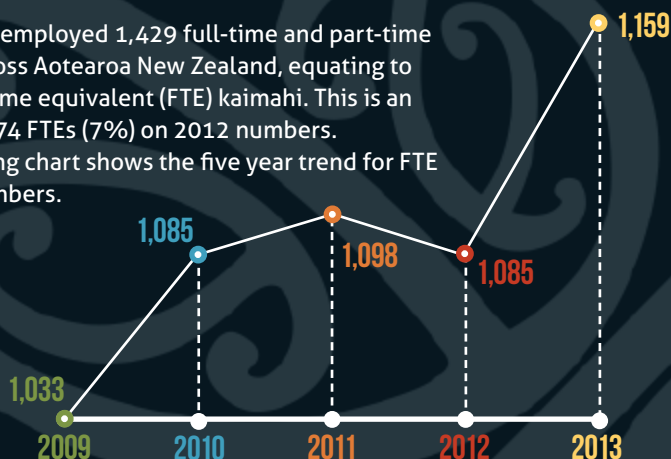


KAIMAHI SAYING THEY  
WERE PROUD TO WORK FOR  
TE WĀNANGA O AOTEAROA



# FULL TIME EQUIVALENT EMPLOYEES

In 2013, we employed 1,429 full-time and part-time kaimahi across Aotearoa New Zealand, equating to 1,159 full-time equivalent (FTE) kaimahi. This is an increase of 74 FTEs (7%) on 2012 numbers. The following chart shows the five year trend for FTE kaimahi numbers.



# CAPABILITY DEVELOPMENT

Te Wānanga o Aotearoa understands the importance of providing learning and development opportunities that enable our kaimahi to be successful in their roles. Successful kaimahi mean that taura receive the knowledge, resources and support which enables them to achieve. In 2013, kaimahi attended a total of 1,733 learning events, an increase of 88% compared with 2012. As part of our strategy to build rangahau capability, there was a 70% increase in attendance at conferences. Notably, training and engagement in academic qualifications substantially increased as we continued to place high importance on the kaimahi capability.

The following table shows learning events attended by kaimahi in 2012 and 2013.

Type	2012 Total	2013 Total
Academic	124	270
External training	145	161
Internal training	588	1059
Mentoring sessions	4	13
National conferences	51	87
International conferences	0	1
International professional development	1	3
International research	9	8
<b>Total</b>	<b>922</b>	<b>1,733</b>

These data are drawn from our training and development database.



# ETHNICITY

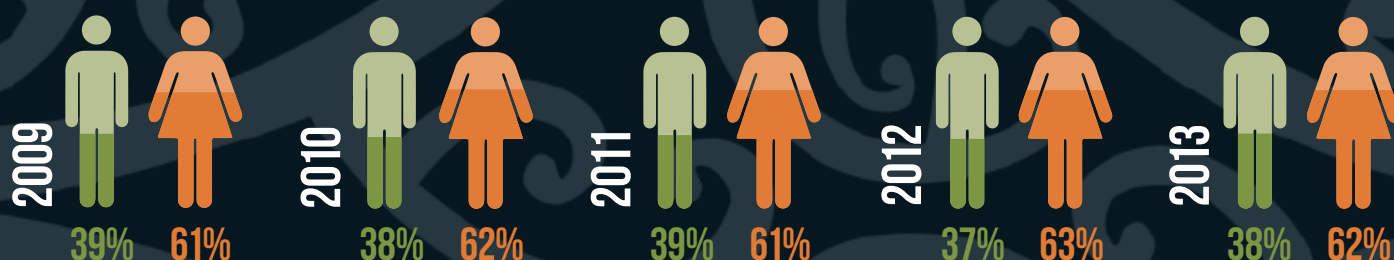
As a Māori organisation, we attract and retain a high proportion of Māori kaimahi compared with other tertiary education organisations. The proportion of kaimahi across other ethnicities remained consistent with previous years.



These figures do not add up to 100% as a person can select more than one ethnicity.

# GENDER

Compared with other tertiary education organisations, Te Wānanga o Aotearoa has a high proportion of female kaimahi. This proportion remained similar to previous years. The following shows the gender profile for our kaimahi.





# Te ine whakaritenga

Measuring our performance



Artist: Rhys Shaw



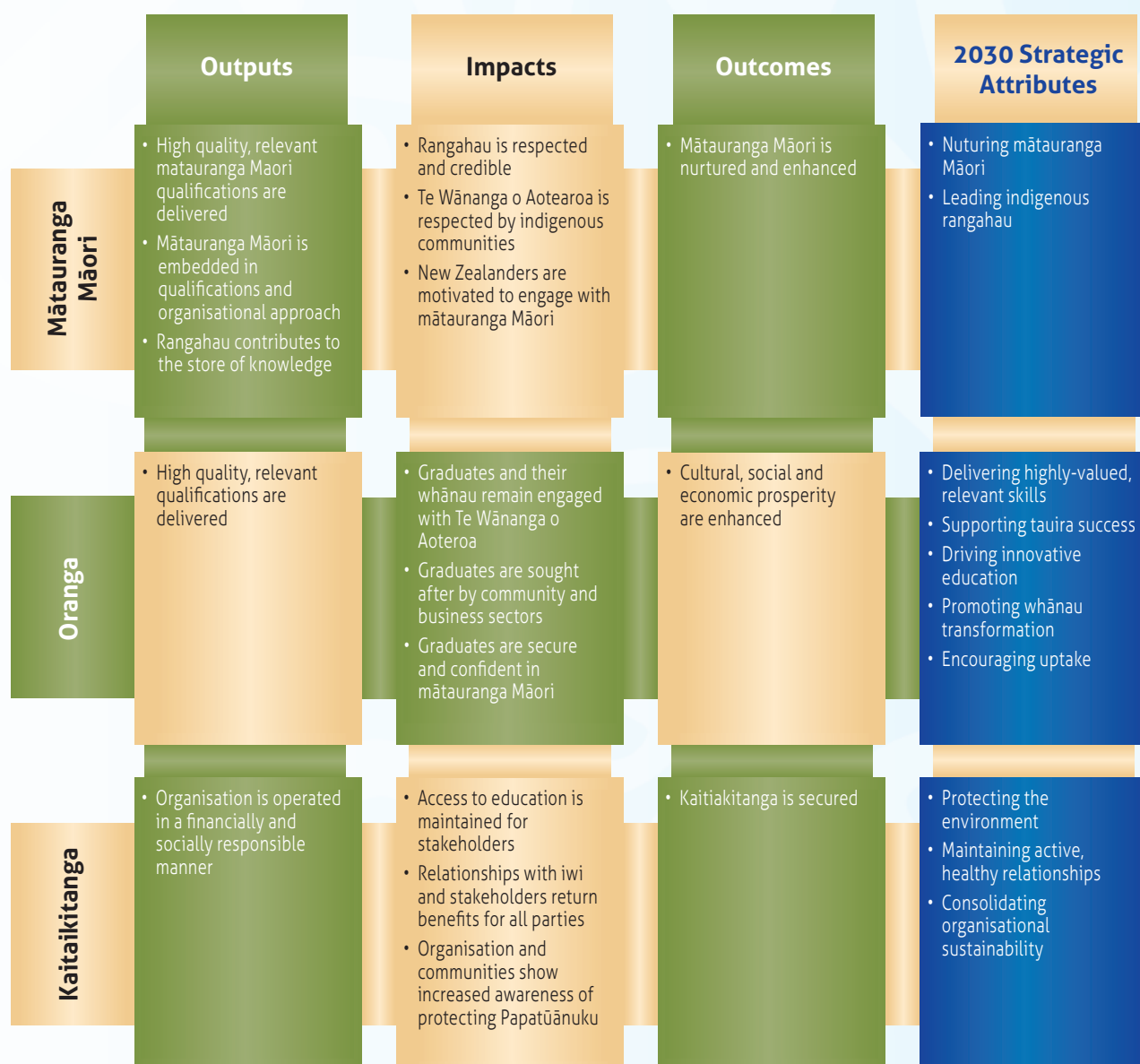
# Te huanganui


## 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 effect our outputs have on our taura, our stakeholders and those with whom they come into contact. Outcomes describe the longer term and larger effects eventually accrued by our society as a whole and are contributed to by many organisations and entities. 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.





# TAUIRA

ENROL WITH US  
TO START AN  
EDUCATIONAL  
JOURNEY

## Outcome one

# Mātauranga Māori is nurtured and enhanced

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 Māori from Western definitions of research. 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 āhuetanga 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 for mātauranga Māori.

### Output measures

Output measures that guide our progress against achieving this outcome relate to delivering high-quality qualifications and strengthening mātauranga Māori. Initiatives and projects to achieve our targets included:

- Introducing our first Masters qualification – He Waka Hiringa. He Waka Hiringa involves the study of excellence in indigenous principles and practice and how these principles and practices can benefit communities.
- Strengthening mātauranga Māori through building rangahau capability and sharing this knowledge through publication and presentation.

In 2013 we achieved 5 of our 6 measures for this output class. The following table shows measures, targets and results for mātauranga Māori outputs.

#	Measure	Achieved 2012	Achieved 2013	Target 2013	Target 2014
1.1	Number of EFTS successfully completing post-graduate mātauranga Māori qualifications at Te Wānanga o Aotearoa.	0	37	20	0
1.2	Number of rangahau outputs.	384	185	200	300
1.3	Proportion of taura who would recommend their programme to others.	95%	95%	95%	95%
1.4	External Evaluation and Review (EER) reports 'confident' or 'highly confident' in capability against self-assessment.	Highly confident	Confident	Confident	Confident
1.5	External Evaluation and Review (EER) reports 'confident' or 'highly confident' in capability against educational performance.	Not assessed	Highly confident	Confident	Confident
1.6	Funding consumption matches the Investment Plan agreement.	-0.9%	100.2%	99-105%	99-105%

<sup>1</sup>Edwards, S. (2009). Titiro Whakamuri kia marama ai te wao nei: Whakapapa epistemologies and Maniapoto Māori cultural identities. Unpublished doctoral dissertation, Massey University, Palmerston North, New Zealand.



The result reported for 2013 measure 1.1 relates to the number of tauira that completed their first year of the inaugural offering of He Waka Hiringa. We look forward to seeing our tauira graduate in 2014 after completing rangahau projects that will positively benefit their chosen communities.

We were pleased that the New Zealand Qualifications Authority recognised the value of qualifications at Te Wānanga o Aotearoa and allocated a rating of highly confident in educational performance and confident in capability in self-assessment. These ratings acknowledge our sustained focus on improving the experience of our tauira and ensuring that they have the tools to succeed.

Although kaimahi continued to increase their capability in rangahau, the target of 200 outputs was not achieved (measure 1.2). The variance of 15 outputs is acceptable within our planning process and represents a shift in focus to ensuring kaimahi gain higher academic qualifications.

The variance between the number of rangahau outputs produced in 2012 and those produced in 2013 is a result of a large number of kaimahi preparing rangahau papers for the World Indigenous Peoples Conference on Education.

## Impact measures

Impacts are realised over the medium-term and represent the progress towards achieving our outcome of nurturing and enhancing mātauranga Māori. The focus of these impacts is to strengthen the development and quality of mātauranga Māori and its dissemination to other people.

In 2013, we achieved two of the four impact measures we set for ourselves. We were especially proud of our tauira that achieved high qualification completion rates (measure 1.9) and of those tauira who chose to participate in mātauranga Māori programmes (measure 1.10). The following table shows mātauranga Māori impact measures, targets and results.

#	Impact	Measure	Achieved 2012	Achieved 2013	Target 2013	Target 2014
1.7	Rangahau is respected and credible.	Number of research outputs published in peer reviewed journals or delivered at conferences.	113	88	Increase	Increase
1.8	Te Wānanga o Aotearoa is respected by indigenous communities.	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	2 groups	Increase	Increase
1.9	All New Zealanders are motivated to engage with mātauranga Māori.	Successful qualification completion for mātauranga Māori programmes.	67%	80%	69%	72%
1.10		Proportion of tauira engaging in mātauranga Māori programmes at Te Wānanga o Aotearoa (programmes that sit in the mātauranga Māori pathway, including reo).	50%	45%	31%	31%

In 2013, we achieved 88 research outputs (measure 1.7) that were published in peer reviewed journals or delivered at conferences. We did not achieve the target which was to increase the number of outputs from the 2012 baseline of 113 as we shifted focus to ensuring kaimahi were gaining higher academic qualifications. In 2013, we increased the number of staff undertaking academic training by 117%.

The target for measure 1.8 was not achieved as we did not increase the number of groups travelling to Te Wānanga o Aotearoa. The two groups that did visit us were students from the Native American Community Academy (public charter school in Albuquerque, USA) and a group of Ainu from Ainumosir Japan.

As in the past, we continued to increase the successful qualification completion in mātauranga Māori programmes (measure 1.9) and exceeded the target by 11%. This high rate reflects our continued focus on providing the academic and pastoral support that assists tauira to be successful.

We exceeded our target related to tauira engaging in mātauranga Māori programmes (measure 1.10). The increase in interest is an encouraging result and contributes to the achievement of this outcome.

## Outcome measures

Over time, because of the volume of tauira 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 2013 New Zealand Census data. To contribute to this outcome, other government entities such as Te Puni Kōkiri and the Ministry of Education also focus on increasing the proficiency of te reo Māori. The following table shows measures, targets and results for mātauranga Māori outcomes in 2013.

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.	→	3.9% (2013)	6%
The proportion of Māori who can speak some te reo Māori.	→	21.3% (2013)	40%
A growing proportion of New Zealanders consider investment in science and innovation is high priority.	New Measure	Not measured	

The proficiency of te reo Māori has remained relatively static since 2006. By enhancing and nurturing mātauranga Māori, we hope to make a positive contribution to these measures.

The outcome measure of attitudes to investment in science and innovation is drawn from Ministry of Science and Innovation's (MSI) Statement of Intent 2011-2014. MSI along with other agencies was amalgamated into the Ministry of Business, Innovation and Employment. This measure was discontinued as it was no longer relevant to the Ministry's strategy. From 2014, Te Wānanga o Aotearoa will delete this measure.

## 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 for all. We provide effective, relevant, culturally-embedded education that offers skills and knowledge to meet the rightful expectations of our tauira 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.**

Cultural, social and economic prosperity approaches the wellbeing of people in a holistic manner recognising that focusing on one area at the expense of others will not create an equitable society.

### Alignment with Te Rautakinga

**This 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 tauira.
- Achievement rates among our tauira surpass all other tertiary institutions and our graduates are respected and sought after in the community, public and private business sectors.
- Te Wānanga 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.

### Output measures

Our output measures emphasise the importance of providing effective, relevant, culturally-embedded education that offers skills and knowledge to bring about whānau transformation. Initiatives and projects to achieve our targets included:

- Continuing to utilise the Ako Wānanga framework to inform and improve teaching practise and tauira support services. Ako Wānanga is the framework that articulates what it means to teach, learn and support tauira in a wānanga environment.
- Focusing all kaimahi on improving the educational performance of tauira and emphasising the importance of completing regular aromatawai (self-assessment) across teaching, learning and business support services.
- Delivering qualifications designed to attract and retain priority group learners that provide the pathway to employment or further study.

During 2013, we achieved all of our output targets. One of our significant achievements was to receive a highly confident rating in the External Evaluation and Review completed by the New Zealand Qualifications



Authority. The following table shows the output measures targets and results for this outcome.

#	Measure	Achieved 2012	Achieved 2013	Target 2013	Target 2014
1.4	External Evaluation and Review reports 'confident' or 'highly confident' in capability in self-assessment.	Highly confident	Confident	Confident	Confident
1.5	External Evaluation and review reports 'confident' or 'highly confident' in capability against educational performance.	Not assessed	Highly confident	Confident	Confident
1.6	Funding consumption matches the Investment Plan agreement.	-0.9%	100.2%	99-105%	99-105%
2.1	Proportion of tauira who are satisfied or highly satisfied.	91%	93%	92%	93%
2.3	Proportion of Māori SAC EFTS enrolled at Te Wānanga o Aotearoa.	49%	52%	48%	48%

The result reported for measure 2.1 is drawn from the 2013 Tauira Survey. As a proxy indicator for satisfaction levels, we measure the proportion of tauira who would recommend their qualification to other people or their whānau. Ninety-three per cent of tauira indicated that they would recommend their qualification to others or their whānau.

### Impact measures

The measures and targets to monitor the medium-term impact of our activities related to this outcome concentrate on tauira success and their educational journey at Te Wānanga o Aotearoa.

In 2013, we exceeded all of our targets as a result of the initiatives and projects above, and our tauira course and qualification completion rates continued to increase. Notably, 64% of graduates told us that their qualification assisted them to gain employment or additional responsibility in their jobs or in the community (measure 2.4). This is a 2% increase on the 2012 result and exceeds the target by 1%.

Another success was that 42% of our tauira who studied at level 1 to 3 chose to continue their educational journey and enrol in a higher level programme. We applaud these tauira who gained the confidence to continue studying and increase their knowledge. The following table shows impact measures, targets and results for this outcome.

#	Impact	Measure	Achieved 2012	Achieved 2013	Target 2013	Target 2014
1.3	Graduates and their whānau are engaged in education.	Proportion of tauira who would recommend their programme to others.	95%	95%	95%	95%
2.4	Graduates are sought after by the community and business sectors.	Proportion of graduates who gain employment or additional responsibility in employment or in the community.	62%	64%	63%	64%
2.5		Tauira retained in study.	71%	75%	72%	74%
2.6		Proportion of tauira following a pathway to higher education.	35%	42%	42%	45%
2.7		Course completion rates	80%	81%	80%	81%
2.8		Qualification completion rates	72%	81%	75%	78%
2.9	Graduates are secure and confident in mātauranga Māori.	Proportion of tauira who confirm an increased understanding of mātauranga Māori.	Not assessed	77%	Establish baseline	Increase on 2013

## Outcome Measures

Our contribution towards achieving these measures can only be realised over the long term. Although there is still some way to go, the difference between the median income of Māori and non-Māori has reduced from \$145 in 2012 to \$134 in 2013. The satisfaction levels for Māori and all New Zealanders have remained at the same rates since 2012. The following table shows the measures and targets for indicating when this outcome has been achieved.

Measure	Trend to date	Current	Target 2030
The difference between the weekly median income for Māori and Non-Māori in Aotearoa New Zealand.	↓	\$134 (2013)	(\$50)
The proportion of Māori satisfied with life overall.	→	81% (2012)	88%
The proportion of all New Zealanders satisfied with life overall.	→	87% (2012)	88%

Data related to life satisfaction is drawn from Statistics New Zealand – NZ social indicators (He kete tatauranga). Data for the weekly median income is drawn from Statistics New Zealand – New Zealand Income Survey: June 2013 quarter



## 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 (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 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.

### Output measures

Our output measures represent our approach to ensuring our organisation is financially and educationally sustainable, protecting the environment and supporting our stakeholders. Te Wānanga o Aotearoa achieved 4 of 5 output targets for this outcome. The following table shows the measures and targets for kaitiakitanga.

#	Measure	Achieved 2012	Achieved 2013	Target 2013	Target 2014
1.4	External Evaluation and Review reports 'confident' or 'highly confident' in capability in self-assessment.	Highly confident	Confident	Confident	Confident
1.5	External Evaluation and review reports 'confident' or 'highly confident' in capability against educational performance.	Not assessed	Highly confident	Confident	Confident
3.1	Risk rating under the Financial Monitoring Framework.	Low	Low	Low	Low
3.2	The proportion of the Rautaki Taiao plan that is implemented.	0	13%	25%	50%
3.3	Number of joint ventures with iwi, TEIs, industry and community.	17	38	17	18

We again received a low risk rating under the Financial Monitoring Framework utilised by the Tertiary Education Commission. In addition, the rating includes a high confidence rating on our financial forecasts. These ratings reflect our robust financial planning and operating processes in place.



The Rautaki Taiao plan (measure 3.2) has been refreshed. Rautaki Taiao now includes three project work streams focused on reduction in waste, energy and fuel. The refresh of the plan meant that the 25% implementation target was not achieved.

Joint ventures (measure 3.3) ensure that we remain responsive to our stakeholders, examples of some initiatives include:

- delivering qualifications that align with iwi education strategies
- co-constructing qualifications with industry that meet their needs
- delivering trade training qualifications with other tertiary education institutions

## Impact measures

Our impact measures show the effect that our activities have in the medium-term. In 2013, Te Wānanga o Aotearoa achieved three of the four targets for the period.

Notably, we continued to have a high number of tauira enrol with us who were experiencing barriers to accessing education (measure 3.4). These barriers include no previous high school education, having a disability, being over 35 years of age, being of Māori or Pasifika descent or a beneficiary. To reduce the impact of these barriers, Te Wānanga o Aotearoa acknowledges the challenges that our tauira may face and ensures that appropriate support is in place. Whilst the result is significantly over the expected proportion, it shows that many of our tauira experience real constraints to accessing learning. The following table shows the measures and targets for this outcome.

#	Impact	Measure	Achieved 2012	Achieved 2013	Target 2013	Target 2014
3.4	Access to education for stakeholders is maintained.	Proportion of at-risk tauira who are provided with options to reduce barriers to entry.	92%	94%	35%	40%
3.5		Proportion of tauira Māori enrolled at Te Wānanga o Aotearoa.	48%	50%	53%	53%
3.6	Increased community and organisational awareness of protecting Papatūānuku.	Reduction targets from the Rautaki Taiao plan for energy and waste are achieved.	0	N/A	0	Establish Baseline
3.7	Relationships with iwi and stakeholders return benefits for all parties.	Iwi and stakeholders express satisfaction with Te Wānanga o Aotearoa.	Not assessed	81%	72%	73%

## Outcome measures

The long-term measures for this outcome seek to ensure high levels of educational achievement for people of Aotearoa New Zealand and protection of the physical environment. Both the Ministry of Environment and Te Wānanga o Aotearoa share the measure related to greenhouse gas emissions. The result reported below has been drawn from the Ministry for the Environment Annual Report 2012/13.

The indicators related to NCEA educational achievement form part of the Better Public Services targets and the results are drawn from information published by the State Services Commission. The following table shows the measures and targets for this outcome.

Measure	Trend to date	Current	Target 2030
Trend in greenhouse gas emissions and removals in the annual greenhouse gas inventory.	↓	56.1 Mt CO <sub>2</sub> -e <sup>2</sup> (2013)	Decrease
Proportion of 18 to 25 year olds with NCEA level 2 or equivalent.	↑	77% (2013)	85%
Proportion of 25 to 34 year olds with advanced trade qualifications, diplomas and degrees (at level 4 and above)	↑	52% (2013)	55%





# Ngā kī taurangi

Statement of service performance

## Our goals and objectives

Our Investment Plan which is negotiated with the Tertiary Education Commission describes our performance commitments for each year. Our performance commitments are the targets that we strive to achieve as we work towards achieving our goals and the Tertiary Education Strategy.

## Measurement method


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

The 2013 data are interim results, as they are subject to validation by the Tertiary Education Commission following submission of the final single data return in April 2014.

## Comparative results

Where possible, data for 2010 and 2011 are reported for comparative purposes. Data for 2012 shown in this report are drawn from the final April 2013 single data return and may vary from the interim results reported in Te Pūrongo 2012 (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 who seek a different, inclusive approach to education steeped in tikanga Māori and āhuatanga Māori. Historically, Te Wānanga o Aotearoa has attracted large numbers of tauira with no qualifications and those of Māori and Pasifika descent.

## Our tauira

We understand the wage premium attached to degree-level study and the government's focus on increasing qualification attainment at NQF level 4 and above. However, a large number of people in Aotearoa New Zealand have not had the opportunity to gain foundation education, and it is this group of people that still remain a focus for Te Wānanga o Aotearoa. The majority of our tauira (52%) are over the age of 40 and 35% of our tauira come to us without qualifications.

Whilst we acknowledge the needs of older students, we also recognise the benefits of engaging tauira as they leave school so we can prevent the disengagement from further education and unemployment. Therefore, as in previous years under 25 year olds also remains a priority group of learners.

## Our strategies

Our strategies to attract and engage our priority groups of learners have remained unchanged since 2012 and are now showing results. Strategies included:

- development of new qualifications that map to the Vocational Pathways framework
- maintenance of a low or no fees approach to eliminate financial barriers
- provision of educational pathways from foundation to degree level
- appropriate pastoral and academic support that reflects the needs of the needs of Māori, Pasifika and youth

## Our achievements

Te Wānanga o Aotearoa performed well against its performance targets for 2013 and achieved seven of the nine targets. We met the target for engaging Pasifika across all NQF levels and for those aged under 25 years studying at level 4 and above. We exceeded the target for enrolling tauira Māori at level 1 to 3 by 1%. This was achieved through building a suite of programmes that attract this demographic of tauira and a reputation for providing an environment where success is achievable.

As per our Investment Plan, the data related to the proportion of EFTS enrolled aged under 25 show the results for SAC funded EFTS only and does not include tauira funded under the Youth Guarantee Programme. If these tauira are included, our tauira demographic changes substantially to 17% of under 25 year olds studying at NQF level 1 to 3 and 16% of tauira from this age group are studying at NQF level 4 and above. We did not achieve the target for tauira Māori at all levels by 1%, this variance is acceptable within our planning process.

The following table shows the EFTS consumed by Māori, Pasifika and under-25 year old learners as a proportion of total EFTS consumed in 2013. In 2014, we will continue to target priority learners with an increased commitment to increase the overall number of taura under 25 years by 4%.

Indicator	NQF level	Achieved 2010	Achieved 2011	Achieved 2012	Achieved 2013	Target 2013	Target 2014
Proportion of SAC eligible EFTS enrolled at the TEO who are Māori	All Levels	52%	53%	49%	52%	53%	53%
	Level 1 to 3	27%	26%	22%	24%	23%	23%
	Level 4 and above	25%	27%	27%	28%	30%	30%
Proportion of SAC eligible EFTS enrolled at the TEO who are Pacific peoples	All Levels	10%	11%	10%	11%	11%	11%
	Level 1 to 3	6%	6%	5%	6%	6%	6%
	Level 4 and above	4%	5%	5%	5%	5%	5%
Proportion of SAC eligible EFTS enrolled at the TEO who are aged under 25	All Levels	14%	14%	13%	16%	16%	20%
	Level 1 to 3	8%	8%	7%	9%	9%	11%
	Level 4 and above	6%	6%	6%	7%	7%	9%



# 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 hinga (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 provide an interim view of taura achievement and are an indication of the effectiveness of teaching and learning and the effectiveness of taura pastoral and academic support. A 'course' is a component of study that makes up a qualification.

In 2013, we continued to build on previous success and recorded increases or maintained performance compared with previous years. We were encouraged by the success of our Pasifika learners studying at level 1 to 3 who increased course completion rates by 4% compared with 2012 and taura Māori studying at level 4 and above exceeded the target by 1%.

The two targets that were not achieved related to taura Māori studying at level 1 to 3 and Pasifika taura studying at level 4 and above. These targets were not achieved by 1% and 2% respectively. Although these variances are minimal we are committed to ensuring that priority learners have the resources and assistance to achieve educational success on a par with all learners.





Course completion rates for tauira at Te Wānanga o Aotearoa are as follows:

Indicator	NQF level	Achieved 2010	Achieved 2011	Achieved 2012	Interim 2013	Target 2013	Target 2014
Successful course completion rate for all tauira (SAC eligible EFTS)	All Levels	76%	79%	81%	81%	81%	83%
	Level 1 to 3	77%	80%	81%	81%	81%	82%
	Level 4 and above	76%	79%	81%	82%	82%	83%
Successful course completion rate for tauira Māori (SAC eligible EFTS)	Levels 1 to 3	71%	74%	76%	76%	77%	80%
	Level 4 and above	76%	76%	78%	79%	78%	81%
Successful course completion rate for Pasifika tauira (SAC eligible EFTS)	Levels 1 to 3	78%	78%	76%	80%	80%	82%
	Level 4 and above	75%	82%	81%	81%	83%	83%
Successful course completion rate for tauira aged under 25 (SAC eligible EFTS)	Level 1 to 3	68%	70%	72%	73%	72%	74%
	Level 4 and above	70%	75%	77%	77%	77%	79%

In 2014, we will continue to build on previous successes with targets across all indicators increasing between 1 and 3% except for the indicator for Pasifika tauira studying at level 4 and above which will remain at 83%. By 2016, we aim to ensure that the priority group learners (Māori, Pasifika and under 25 years old) are achieving educational success at the same rate as all learners.

## Successful qualification completion

Qualification completion indicators provide a longer term view of tauira achievement. A qualification is made up of a number of courses. Qualification completion is important as tauira who complete a qualification earn higher incomes and are less likely to be unemployed than a person who does not have a qualification.

We were especially encouraged by the qualification completion rates of our tauira which exceeded the targets across all indicators by between 1 and 10%. These significant achievement levels were forecast in our 2012 Annual Report as we expected to see tauira success increase as a result of the initiatives we implemented.

Priority learners performed exceptionally well by exceeding targets across all levels. Tauira Māori exceeded the level 1 to 3 target by 5% and the level 4 and above target by 7%. Pasifika tauira continued the upward trend of previous years by exceeding the target by 4% at level 1 to 3 and 1% at level 4 and above. Tauira aged under 25 also performed well by achieving a qualification completion rates in excess of the targets at both NQF levels.

The following table shows the qualification completion indicators, results and targets:

Indicator	NQF level	Achieved 2010	Achieved 2011	Achieved 2012	Interim 2013	Target 2013	Target 2014
Qualification completion rate for all tauira (SAC eligible EFTS)	All levels	66%	71%	70%	81%	73%	75%
	Level 1 to 3	70%	75%	73%	81%	75%	77%
	Level 4 and above	60%	67%	66%	80%	71%	75%
Qualification completion rate for tauira Māori (SAC eligible EFTS)	Level 1 to 3	63%	69%	68%	76%	71%	74%
	Level 4 and above	54%	62%	62%	78%	71%	73%
Qualification completion rate for Pasifika tauira (SAC eligible EFTS)	Level 1 to 3	71%	72%	68%	79%	75%	77%
	Level 4 and above	65%	75%	64%	77%	76%	77%
Qualification completion rate for tauira aged under 25 (SAC eligible EFTS)	Level 1 to 3	58%	59%	64%	70%	59%	60%
	Level 4 and above	56%	56%	58%	68%	57%	58%

Our projections indicate that qualification completion rates will begin to level off as priority learners begin to achieve on par with all learners. As with course completion rates, Te Wānanga o Aotearoa aims to ensure that priority group learners achieve at the same level as all learners by 2016.

## Supporting the educational journey

Many of our taura come to Te Wānanga o Aotearoa with little experience of tertiary education. Our hope is that once taura are reengaged in education they can begin an educational journey that will continue for their life. To assess our success in this area, we use indicators that measure progression and retention.

Progression measures the proportion of taura studying at level 1 to 3 who after completing a qualification with Te Wānanga o Aotearoa, enrol in study at a higher level at any institution. The retention rate measures the proportion of taura who successfully complete a qualification and enrol in another programme with us.

Indicator	Achieved 2010	Achieved 2011	Achieved 2012	Interim 2013	Target 2013	Target 2014
Progression rate for taura (SAC eligible EFTS) at levels 1 to 3	40%	38%	40%	42%	45%	50%
Retention rate for all taura (SAC eligible EFTS)	68%	73%	73%	75%	73%	75%

# Supporting quality research to help drive innovation

**Our obligation to advance mātauranga Māori is enshrined in our vision and legislation. We take this responsibility very seriously and seek to increase rangahau activities for the benefit of Māori and Aotearoa New Zealand. Rangahau activities include the publication of wānanga journals, presentation at national and international conferences and publication in peer reviewed journals.**

## Key highlights in 2013 included:

- Receiving the gold award in the Pride in Print awards for the publication of Waiaataata Te Ata Hāpara. The publication includes photography and writing in both te reo Māori and te reo Pākehā from kaimahi and taura.
- Hosting visiting scholar Mr Nick Claxton from the University of British Columbia. Mr Claxton's rangahau centred on understanding the revitalisation of te reo Māori and how this could be transferred to other indigenous people.

In addition to rangahau activities, we introduced the inaugural Masters qualification called He Waka Hiringa (Master of Applied Indigenous Knowledge). He Waka Hiringa will produce graduates who possess advanced knowledge in a specialist area of indigenous knowledge, apply theoretical knowledge including Māori principles and philosophies and contribute to the wellbeing of an indigenous community.

The following table shows the indicators used to assess performance in this area.

Indicator	Achieved 2012	Achieved 2013	Target 2013	Target 2014
Number of research outputs	384	185	150	200
The number of EFTS enrolled in post-graduate programmes	N/A	37	20	20

# Ngā mahi whakahaere

Governance



Artist: Te Kuiti Stewart



# Tā nga mema

Council members' report

The members of Te Mana Whakahaere are dedicated to governing Te Wānanga o Aotearoa 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.

**TE MANA  
WHAKAHAERE  
BELIEVES IN  
ACCOUNTABILITY  
TRANSPARENCY AND  
FAIRNESS**

## Responsibilities

Te Mana Whakahaere is responsible for governing Te Wānanga o Aotearoa in accordance with the statutory and regulatory obligations applicable to tertiary institutions and Crown entities. Members of Te Mana Whakahaere confirm the strategic direction of Te Wānanga o Aotearoa and monitor the performance of the organisation against these over-arching objectives. To achieve its obligations, Te Mana Whakahaere delegates some governance responsibilities to a number of sub-committees and operational responsibilities to Te Taiurungi. These delegations are made through the Delegations of Authority framework.

## Membership and composition

The membership of our council is determined by the constitution of Te Mana Whakahaere and the Education Act 1989 section 171. The members of Te Mana Whakahaere come from a broad range of backgrounds and are selected for the knowledge and value they can bring to the strategic direction and governance of Te Wānanga o Aotearoa.

The constitution of Te Mana Whakahaere defines the composition 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 Taiurungi (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 Business New Zealand and one co-opted member 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 the Cabinet Office Circular. Members' remuneration and interests are reported in the financial statements.

## 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 Taiurungi and monitors his 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 taura, iwi, industry and kaimahi.

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

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

We also survey key stakeholders across Aotearoa New Zealand from industry and the community on an annual basis. Our aim is to gauge their level of satisfaction with the education and qualifications we offer and to identify how we can improve.

In addition, Te Wānanga o Aotearoa employs 1,429 kaimahi across Aotearoa New Zealand. We complete an annual climate survey (Wānanga Ora) to understand their views and gather ideas for future initiatives.

# Ngā mema o te mana whakahaere

Members of Te Mana Whakahaere

co-opted members

## RICHARD BATLEY

BMS, CA,

Chair

Ngāti Tama,  
Ngāti Maniapoto,  
Waikato, Raukawa



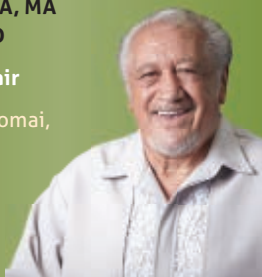
co-opted members

## SIR DR TOBY CURTIS

Dip Tchg, BA, MA  
(Hons), PhD

Deputy Chair

Ngāti Rongomai,  
Te Arawa



## MANAOTERANGI FORBES

Dip in Te Arataki  
Manu Kōrero, DipTchg

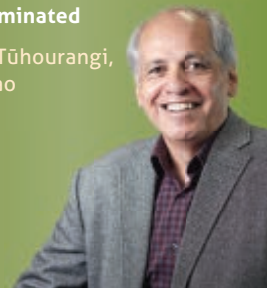
Ngāti Maniapoto,  
Tainui



## PETER JOSEPH

NZCTU Nominated

Te Arawa, Tūhourangi,  
Ngāti Pikiao



co-opted members

## TUKUROIIRANGI MORGAN

Kīngitanga Nominated

Waikato, Ngāti Mahuta,  
Ngāti Makirangi,  
Ngāti Te Ata



## COLLEEN TUUTA

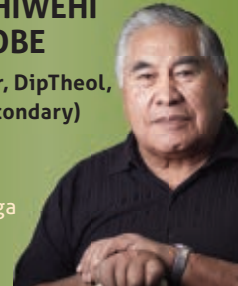
Ngāti Mahuta,  
Ngāti Mutunga,  
Te Atiawa, Taranaki



## REVEREND TE NAPI TUTEWEHIWEHI WAAKA OBE

Adj Professor, DipTheol,  
Dip Tchg (Secondary)

Ngāti Pikiao  
(Te Arawa),  
Ngāti Māhanga  
(Tainui)



ex-officio Member

## JIM MATHER

BBus, MBA, ACA

Te Taiurungi Chief  
Executive  
(from October 2013)

Ngāti Awa,  
Ngāi Tūhoe





## TONY IWIKAU

BSW, RSW, BEd  
(Adult)

Academic Staff  
Representative  
(from August  
2013)

Tuwharetoa



## ANGELINA MATEKOHI

Tauira Representative  
(from October 2013)

Ngāti Whakaue,  
Ngāti Koroki,  
Kahukura,



## MARIE PANAPA JP

BEd (Massey)

General Staff  
Representative

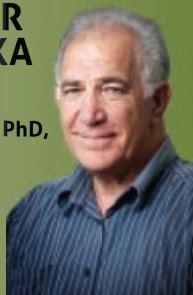
Te Ātiawa,  
Taranaki



## ASSOCIATE PROFESSOR DR MANUKA HENARE

BA (Hons) (VUW), PhD,

Te Rawara,  
Te Aupōuri,  
Ngāti Kuri



## TANIA HODGES JP

GradDipMgmtStud,  
GradDip Te Reo Māori,  
PGCBR, BSocSci, RPN,  
MBA (with Distinction)

Ngāti Pahauwera,  
Ngāti Tūwharetoa



## REA WIKAIRA ONZM JP

(from August 2013)

Ngāpuhi Dip. BMS,

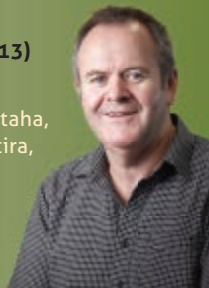
Tainui, Maniapoto,  
Ngāpuhi



## KARL WIXON

DipID, PDINZ  
(from August 2013)

Ngāi Tahu,  
Kāti Māmoe, Waitaha,  
Ngāti Toa Rangatira,  
Moriōri



## Members who completed their service with Te Mana Whakahaere during 2013 were:

- Bentham Ohia - Ex-officio appointment
- Lloyd Anderson - Co-opted appointment
- Deirdre Dale - Ministerial appointment
- June McCabe - Ministerial appointment
- Nicholas Manukau - Tauira elected representative
- Raukura Ropiha - Academic staff elected representative



# Statement of responsibility

**In the financial year ended 31 December 2013, Te Mana Whakahaere (the Council) and the management of Te Wānanga o Aotearoa were responsible for:**

- preparation of the annual financial statements and statement 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 statement of service performance fairly reflect the financial position and operations of Te Wānanga o Aotearoa for the year ended 31 December 2013.



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

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30/04/2014

Date



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**Jim Mather, Te Taiurungi (CEO)**  
*BBus, MBA, ACA*

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30/04/2014

Date

# Te tahua

Financial report



Artist: Cory Boyd



# Independent Auditor's Report

## **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 2013**

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 48 to 86, that comprise the statement of financial position as at 31 December 2013, 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 on pages 22 to 38 that comprises the statement of service performance, and which includes outcomes.

### **Opinion**

In our opinion:

- the financial statements of the Wānanga and group on pages 48 to 86:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Wānanga and group's:
    - » financial position as at 31 December 2013; and
    - » financial performance and cash flows for the year ended on that date;
- the non-financial performance information of the Wānanga and group on pages 22 to 38 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 2013.

Our audit was completed on 30 April 2014. 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 Te Mana Whakahaere;
- 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 Te Mana Whakahaere**

Te Mana Whakahaere 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.

Te Mana Whakahaere 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.

Te Mana Whakahaere 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. Te Mana Whakahaere is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

Te Mana Whakahaere'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.



**B H Halford**

**Audit New Zealand**

On behalf of the Auditor-General  
Tauranga, New Zealand

# Statement of comprehensive income

For the year ended 31 December 2013

	Notes	Group Actual Dec 13 \$'000	Group Budget Dec 13 \$'000	Group Actual Dec 12 \$'000	Parent Actual Dec 13 \$'000	Parent Budget Dec 13 \$'000	Parent Actual Dec 12 \$'000
<b>Income</b>							
Government funding	2(a)	133,943	134,518	135,160	133,943	134,518	135,216
Tauira fees	2(b)	6,500	8,493	5,897	5,598	7,824	5,216
Interest income		3,070	3,295	3,254	2,920	3,100	3,053
Other income	2(c)	8,222	7,565	8,028	16,603	12,469	15,018
<b>Total income</b>		<b>151,735</b>	<b>153,871</b>	<b>152,339</b>	<b>159,064</b>	<b>157,911</b>	<b>158,503</b>
<b>Expenditure</b>							
Kaimahi costs	3	88,326	83,881	85,296	79,196	78,005	76,203
Depreciation and amortisation expense	12,13	8,239	8,633	7,660	7,034	7,662	6,647
Other expenses	4	51,141	55,453	51,436	65,048	65,889	66,562
<b>Total expenditure</b>		<b>147,706</b>	<b>147,967</b>	<b>144,392</b>	<b>151,278</b>	<b>151,556</b>	<b>149,412</b>
<b>Surplus/(deficit)</b>		<b>4,029</b>	<b>5,904</b>	<b>7,947</b>	<b>7,786</b>	<b>6,355</b>	<b>9,091</b>

<b>Other comprehensive income</b>							
Gains/(loss) on property revaluations	14	-	-	(2,961)	-	-	(3,035)
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(2,961)</b>	<b>-</b>	<b>-</b>	<b>(3,035)</b>
<b>Total comprehensive income</b>		<b>4,029</b>	<b>5,904</b>	<b>4,986</b>	<b>7,786</b>	<b>6,355</b>	<b>6,056</b>

Explanation of major variances against budget are provided in note 22.

The accompanying notes form part of these financial statements.



# Statement of changes in equity

For the year ended 31 December 2013

	Notes	Group Actual Dec 13 \$'000	Group Budget Dec 13 \$'000	Group Actual Dec 12 \$'000	Parent Actual Dec 13 \$'000	Parent Budget Dec 13 \$'000	Parent Actual Dec 12 \$'000
<b>Balance at 1 January</b>		<b>138,764</b>	<b>140,771</b>	<b>133,778</b>	<b>122,559</b>	<b>124,167</b>	<b>116,503</b>
Comprehensive income							
Surplus/(deficit)		4,029	5,904	7,947	7,786	6,355	9,091
Other comprehensive income		-	-	(2,961)	-	-	(3,035)
Total comprehensive income		4,029	5,904	4,986	7,786	6,355	6,056
<b>Balance at 31 December</b>	<b>14</b>	<b>142,793</b>	<b>146,675</b>	<b>138,764</b>	<b>130,345</b>	<b>130,522</b>	<b>122,559</b>

The accompanying notes form part of these financial statements.


# Statement of financial position

As at 31 December 2013

	Notes	Group Actual Dec 13 \$'000	Group Budget Dec 13 \$'000	Group Actual Dec 12 \$'000	Parent Actual Dec 13 \$'000	Parent Budget Dec 13 \$'000	Parent Actual Dec 12 \$'000
<b>Current assets</b>							
Cash and cash equivalents	5	3,034	4,748	5,376	1,924	1,148	4,703
Tauira and other receivables	6	3,176	2,380	3,248	3,059	2,130	2,938
Inventories	7	2,580	2,012	2,068	1,225	622	964
Prepayments		897	-	311	866	-	282
Assets held for sale	8	189	-	-	189	-	-
Other financial assets	9	38,699	30,756	39,791	36,000	32,000	36,000
<b>Total current assets</b>		<b>48,575</b>	<b>39,896</b>	<b>50,794</b>	<b>43,263</b>	<b>35,900</b>	<b>44,887</b>
<b>Current liabilities</b>							
Creditors and other payables	10	8,676	6,144	10,562	9,759	13,058	16,387
Tauira fees		357	598	376	211	599	317
Kaimahi entitlements	11(a)	6,283	7,620	5,730	5,634	6,702	5,009
Lease make-good	11(b)	118	-	-	40	-	-
<b>Total current liabilities</b>		<b>15,434</b>	<b>14,362</b>	<b>16,668</b>	<b>15,644</b>	<b>20,359</b>	<b>21,713</b>
<b>Working capital surplus / (deficit)</b>		<b>33,141</b>	<b>25,534</b>	<b>34,126</b>	<b>27,619</b>	<b>15,541</b>	<b>23,174</b>
<b>Non-current assets</b>							
Investment in Open Wānanga	15	-	-	-	1	1	1
Other financial assets	9	12,106	17,713	13,213	12,106	17,713	13,213
Property, plant and equipment	12	89,999	95,223	85,122	86,768	92,368	82,354
Intangible assets	13	7,624	8,205	6,498	3,928	4,899	3,934
<b>Total non-current assets</b>		<b>109,729</b>	<b>121,141</b>	<b>104,833</b>	<b>102,803</b>	<b>114,981</b>	<b>99,502</b>
<b>Non-current liabilities</b>							
Lease make-good	11(b)	77	-	195	77	-	117
<b>Total non-current liabilities</b>		<b>77</b>	<b>-</b>	<b>195</b>	<b>77</b>	<b>-</b>	<b>117</b>
<b>Net assets</b>		<b>142,793</b>	<b>146,675</b>	<b>138,764</b>	<b>130,345</b>	<b>130,522</b>	<b>122,559</b>
<b>Equity</b>							
Retained earnings	14	133,269	134,190	129,240	120,943	118,085	113,157
Property revaluation reserve	14	9,524	12,485	9,524	9,402	12,437	9,402
<b>Total equity</b>		<b>142,793</b>	<b>146,675</b>	<b>138,764</b>	<b>130,345</b>	<b>130,522</b>	<b>122,559</b>

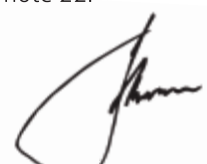
Explanations of major variances against budget are provided in note 22.

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

  
 Richard Batley, Chair  
 CA, BMS (Waikato)

30/04/2014

Date

  
 Jim Mather, Te Taiurungi (CEO)  
 BBus, MBA, ACA

30/04/2014

Date

The accompanying notes form part of these financial statements.

# Statement of cash flows

For the year ended 31 December 2013

	Group Actual Dec 13 \$'000	Group Budget Dec 13 \$'000	Group Actual Dec 12 \$'000	Parent Actual Dec 13 \$'000	Parent Budget Dec 13 \$'000	Parent Actual Dec 12 \$'000
<b>Cash flows from operating activities</b>						
Receipts from government grants	133,649	135,261	134,987	133,705	134,517	135,043
Receipts from taura fees	6,481	8,477	5,844	5,492	7,824	5,104
Dividend income	1	-	3	1	-	3
Interest income received	3,714	3,295	3,233	3,484	3,100	3,103
Receipts from other income	7,255	7,621	6,410	15,546	12,470	13,455
Payments to kaimahi	(87,773)	(83,713)	(85,786)	(78,571)	(74,946)	(76,747)
Payments to suppliers	(53,653)	(56,983)	(50,716)	(72,139)	(69,511)	(67,321)
<b>Net cash flow from operating activities</b>	<b>9,674</b>	<b>13,958</b>	<b>13,975</b>	<b>7,518</b>	<b>13,454</b>	<b>12,640</b>
<b>Cash flows from investing activities</b>						
Sale of property, plant and equipment	436	-	178	407	-	156
Sale of investments	39,692	8,035	30,631	38,500	3,000	30,631
Purchase of property, plant and equipment	(11,699)	(16,792)	(13,297)	(10,618)	(15,662)	(12,460)
Software development	(850)	(1,210)	(290)	(78)	(685)	(70)
Programme development	(2,102)	(2,195)	(1,876)	(1,115)	(1,500)	(1,385)
Purchase of investments	(37,493)	-	(34,168)	(37,393)	-	(34,000)
<b>Net cash flow from investing activities</b>	<b>(12,016)</b>	<b>(12,162)</b>	<b>(18,822)</b>	<b>(10,297)</b>	<b>(14,847)</b>	<b>(17,128)</b>
<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	(2,342)	1,796	(4,847)	(2,779)	(1,393)	(4,488)
Cash and cash equivalents 1 January	5,376	2,952	10,223	4,703	2,541	9,191
<b>Cash and cash equivalents 31 December</b>	<b>3,034</b>	<b>4,748</b>	<b>5,376</b>	<b>1,924</b>	<b>1,148</b>	<b>4,703</b>

The accompanying notes form part of these financial statements.



# Statement of cash flows (continued)

For the year ended 31 December 2013

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

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Surplus/(deficit) from the statement of comprehensive income</b>	<b>4,029</b>	<b>7,947</b>	<b>7,786</b>	<b>9,091</b>
<b>Add/(less) non-cash items</b>				
Depreciation and amortisation expense	8,239	7,660	7,034	6,647
Found property, plant and equipment	-	(959)	-	(959)
Net (gain) on lease make good provision	-	195	-	117
Asset impairment	144	691	144	690
<b>Total non-cash items</b>	<b>8,383</b>	<b>7,587</b>	<b>7,178</b>	<b>6,495</b>
<b>Add/(less) items classified as investing or financing activities</b>				
Net (gain) on disposal of property, plant and equipment	(360)	(98)	(371)	(86)
<b>Total items classified as investing or financing activities</b>	<b>(360)</b>	<b>(98)</b>	<b>(371)</b>	<b>(86)</b>
<b>Add/(less) movements in working capital items</b>				
(Increase)/decrease in inventories	(512)	28	(261)	141
(Increase)/decrease in tauira and other receivables	(572)	(555)	(685)	(512)
(Increase)/decrease in prepayments	(586)	-	(584)	(41)
(Increase)/decrease in interest accrued	644	(21)	564	50
Increase/(decrease) in creditors and other payables	(1,592)	(198)	(6,390)	(1,671)
Increase/(decrease) in revenue received in advance	(294)	(172)	(238)	(172)
Increase/(decrease) in tauira fees	(19)	(53)	(106)	(111)
Increase/(decrease) in provision for kaimahi entitlements	553	(490)	625	(544)
<b>Net movement in working capital</b>	<b>(2,378)</b>	<b>(1,461)</b>	<b>(7,075)</b>	<b>(2,860)</b>
<b>Net cash flow from operating activities</b>	<b>9,674</b>	<b>13,975</b>	<b>7,518</b>	<b>12,640</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

For the year ended 31 December 2013

## 1. Statement of accounting policies

### 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.

Te Wānanga o Aotearoa group consists of Te Wānanga o Aotearoa, and its subsidiaries, Open Wānanga Limited (100% owned) and the Aotearoa Scholarship Trust (100% controlled). The subsidiaries are incorporated and domiciled in New Zealand. Open Wānanga Limited consists of Open Wānanga Limited and its subsidiary, DynaSpeak Limited (formerly 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 primary purpose of Te Wānanga o Aotearoa is to provide tertiary education.

The financial statements cover all of the activities pertaining to an educational and research institution including but not limited to:

- The provision of student services and the facilitating of student activities, including scholarships.
- The activities of a researcher, developer, publisher, property owner, occupier including tenant or landlord, trustee, provider of accommodation, early childhood services, conferences, exhibitions, recreation facilities, sponsorship and hireage.
- And any other activity or occupation incidental to an educational and research institution.

The financial statements of Te Wānanga o Aotearoa and group are for the year ended 31 December 2013. The financial statements were authorised for issue on 30 April 2014 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 and they comply with NZ IFRS as appropriate for public entities.

### 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.

### 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 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). The effective date for the new standards for public sector entities will be for reporting periods beginning on or after 1 July 2014. This means Te Wānanga o Aotearoa will transition to the new standards in preparing its 31 December 2015 financial statements. Te Wānanga o Aotearoa has not yet assessed 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 group financial statements are prepared by adding together like items of assets, liabilities, equity, income, expenses and cashflows on a line-by-line basis. All significant intra-group balances, transactions, income and expenses are eliminated in full 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 base used for determining the gross carrying amount for each class of assets is as follows:

- Buildings are measured at cost or valuation less subsequent accumulated depreciation and impairment losses.
- Land and Artwork is stated at cost or valuation and are not depreciated.
- All other asset classes are stated at cost less accumulated depreciation and impairment losses.

### 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	10-50years	2%-10%
Leasehold improvements	1-18years	6%-100%
Equipment	5years	20%
Computers	2-4years	25%-50%
Furniture and fittings	5years	20%
Motor vehicles	5years	20%
Waka	10years	10%
Library books	10years	10%
Library subscriptions	2years	50%

Leasehold improvements are depreciated over the non-cancellable period for which Te Wānanga o Aotearoa has contracted to lease the asset together with any further terms for which Te Wānanga o Aotearoa has the option to continue to lease the asset.

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.

#### **Programme development costs**

Programme 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 programme development costs, the cost model is applied and the asset is carried at cost less accumulated amortisation and accumulated impairment losses.

#### **Amortisation**

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

	Computer software	Programme 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

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 taura 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 organisation 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 taura 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 taura 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.

**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. Taura 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. Kaimahi entitlements

### *Short-term kaimahi entitlements*

Kaimahi 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 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.

### *Taura fees*

Revenue from taura 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.

## 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 reserve

#### **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 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 14.

##### **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 12 provides information about the estimates and assumptions exercised in the measurement of revalued land and buildings.

## 2. Income

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>(a) Government funding</b>				
Student Achievement Component Funding	132,443	133,384	132,443	133,440
Performance Based Research Fund	-	163	-	163
Other government funding	1,500	1,613	1,500	1,613
<b>Total government funding</b>	<b>133,943</b>	<b>135,160</b>	<b>133,943</b>	<b>135,216</b>
<b>(b) Taura fees</b>				
Fees from domestic taura	5,598	5,216	5,598	5,216
Fees from international taura	902	681	-	-
<b>Total taura fees</b>	<b>6,500</b>	<b>5,897</b>	<b>5,598</b>	<b>5,216</b>
<b>(c) Other income</b>				
Contract income <sup>1</sup>	3,209	2,732	3,209	2,732
Profit on sale of property, plant and equipment	394	101	371	89
Found property, plant and equipment	-	959	-	959
Sales to Open Wānanga Limited	-	-	1,124	1,275
Donation from Open Wānanga Limited	-	-	7,650	5,413
Dividends from external sources	1	3	1	3
Miscellaneous income	4,618	4,233	4,248	4,547
<b>Total other income</b>	<b>8,222</b>	<b>8,028</b>	<b>16,603</b>	<b>15,018</b>

<sup>1</sup>Contract income relates to licences and subcontracting arrangements.

## 3. Kaimahi costs

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Wages and salaries	86,977	84,443	78,015	75,491
Employer contributions to defined contribution plans <sup>2</sup>	1,263	781	1,104	694
Increase/(decrease) in kaimahi sick leave	86	72	77	18
<b>Total kaimahi costs</b>	<b>88,326</b>	<b>85,296</b>	<b>79,196</b>	<b>76,203</b>

<sup>2</sup>Employer contributions to defined contribution plans include contributions to Kiwisaver.

#### 4. Other expenses

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Fees to auditor</b>				
Fees to Audit New Zealand for audit of financial statements	289	296	195	197
Fees to Audit New Zealand for prior year audit fees	-	36	-	-
Management fees	1,296	1,584	-	-
Administration	14,430	14,159	10,916	10,744
Impairment of receivables (note 6)	(33)	13	(33)	13
Bad debts written off	128	156	128	156
Koha	279	336	262	332
Satellite payments	1,900	1,902	1,900	1,902
<b>Intercompany expenses</b>				
Payments to Open Wānanga Limited	-	-	24,031	24,963
Payments to Aotearoa Scholarship Trust	-	-	5	66
Small capital purchases	1,716	2,595	1,493	2,347
Consultancy fees	4,279	4,532	2,987	3,291
Inventories consumed	2,298	2,164	2,298	2,164
Tauira resources	10,075	8,627	8,162	7,156
Travel	1,966	1,711	1,964	1,711
Occupancy expenses	6,532	6,878	6,020	6,241
Rent	2,369	2,407	1,137	1,239
Minimum lease payments – operating lease	3,378	3,260	3,378	3,260
Impairment of property, plant & equipment & stock	205	777	205	777
Loss on sale of property, plant and equipment	34	3	-	3
<b>Total other expenses</b>	<b>51,141</b>	<b>51,436</b>	<b>65,048</b>	<b>66,562</b>

#### 5. Cash and cash equivalents

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Cash at bank and in hand	3,034	3,376	1,924	2,703
Term deposits with maturities less than 3 months	-	2,000	-	2,000
<b>Total cash and cash equivalents</b>	<b>3,034</b>	<b>5,376</b>	<b>1,924</b>	<b>4,703</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 4.65% (2012 - 3.86%).

There were no cash or cash equivalent balances held at 31 December 2013 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.

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Cash at bank and in hand	3,034	3,376	1,924	2,703
Term deposits with maturities less than 3 months	-	2,000	-	2,000
<b>Total cash and cash equivalents</b>	<b>3,034</b>	<b>5,376</b>	<b>1,924</b>	<b>4,703</b>

## 6. Taura and other receivables

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Taura receivables</b>				
Taura fee receivables	928	662	928	662
Less: provision for impairment	-	(16)	-	(16)
<b>Net taura fee receivables</b>	<b>928</b>	<b>646</b>	<b>928</b>	<b>646</b>
<b>Other receivables</b>				
Trade receivables	1,005	550	1,001	550
Accrued interest	1,164	1,808	1,119	1,683
Related party receivables				
Subsidiary (note 19)	-	-	11	24
Other related party (note 19)	79	261	-	52
<b>Gross taura and other receivables</b>	<b>2,248</b>	<b>2,619</b>	<b>2,131</b>	<b>2,309</b>
Less: provision for impairment	-	(17)	-	(17)
<b>Total taura and other receivables</b>	<b>3,176</b>	<b>3,248</b>	<b>3,059</b>	<b>2,938</b>

### Fair Value

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

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

## 6. Taurira and other receivables (continued)

### Impairment

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

	Gross \$'000	2013 Impairment \$'000	Net \$'000	Gross \$'000	2012 Impairment \$'000	Net \$'000
<b>Group</b>						
Not past due	1,551	-	1,551	2,499	-	2,499
Past due 1-60 days	444	-	444	229	-	229
Past due 61-120 days	269	-	269	110	-	110
Past due > 120 days	912	-	912	443	(33)	410
<b>Total</b>	<b>3,176</b>	<b>-</b>	<b>3,176</b>	<b>3,281</b>	<b>(33)</b>	<b>3,248</b>
<b>Parent</b>						
Not past due	1,517	-	1,517	2,309	-	2,309
Past due 1-60 days	444	-	444	163	-	163
Past due 61-120 days	186	-	186	23	-	23
Past due > 120 days	912	-	912	476	(33)	443
<b>Total</b>	<b>3,059</b>	<b>-</b>	<b>3,059</b>	<b>2,971</b>	<b>(33)</b>	<b>2,938</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 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>At 1 January</b>	<b>33</b>	<b>20</b>	<b>33</b>	<b>20</b>
Additional provisions made during the year	95	169	95	169
Receivables written off during the period	(128)	(156)	(128)	(156)
<b>At 31 December</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>33</b>

## 7. Inventory

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Inventories held for distribution</b>	<b>2,580</b>	<b>2,068</b>	<b>1,225</b>	<b>964</b>

The carrying amount of inventories for distribution are measured at cost as at 31 December 2013 and therefore, the carrying amount at current replacement cost is NIL (2012 - NIL).

Inventories are made up of consumables and inventories held for distribution to rohe. 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 tauira.

The write down of inventories held for distribution due to tauira resources being revised and redeveloped amounted to \$61,442 in 2013 (2012 - \$86,269). There have been no reversals of write-downs (2012 - NIL).

No inventories are pledged as security for liabilities.

## 8. Assets for sale

Te Wānanga o Aotearoa owns two buildings on Calthorp Close, Mangere.

These buildings were built by tauira as part of Te Wānanga o Aotearoa carpentry programme. These buildings have been presented as held for sale following the approval by Te Wānanga o Aotearoa to sell the buildings. The completion date of the sale is expected to be in March 2014.

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Assets held for sale</b>				
Buildings	189	-	189	-
<b>Total assets held for sale</b>	<b>189</b>	<b>-</b>	<b>189</b>	<b>-</b>



## 9. Other financial assets

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Current portion</b>				
Term deposits with maturities of 4-12 months	38,699	39,791	36,000	36,000
<b>Total current portion</b>	<b>38,699</b>	<b>39,791</b>	<b>36,000</b>	<b>36,000</b>
<b>Non-current portion</b>				
Term deposits with maturities >12 months	12,106	13,213	12,106	13,213
<b>Total non-current portion</b>	<b>12,106</b>	<b>13,213</b>	<b>12,106</b>	<b>13,213</b>
<b>Total other financial assets</b>	<b>50,805</b>	<b>53,004</b>	<b>48,106</b>	<b>49,213</b>

### Fair Value

#### Term deposits

The carrying amount of term deposits approximates their fair value.

#### New Zealand Bond

The fair value of non-current bond is \$5,012,352 (2012 - \$5,078,828). 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 rate is 3.20% (2012 -2.53%).

#### Impairments

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

## 10. Creditors and other payables

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Trade payables	3,201	4,003	2,639	3,541
Accrued expenses	2,031	2,695	1,936	2,463
Other government funding	247	544	247	544
Income in advance	59	56	59	-
PAYE payable	1,778	1,701	1,578	1,538
GST payable	1,360	1,563	1,190	1,289
	8,676	10,562	7,649	9,375
Related party payable:				
Subsidiary - Open Wānanga Limited and Aotearoa Scholarship Trust	-	-	2,110	7,012
<b>Total creditors and other payables</b>	<b>8,676</b>	<b>10,562</b>	<b>9,759</b>	<b>16,387</b>

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 19.

## 11. Provisions

### (a) Kaimahi entitlements

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Accrued salaries	577	390	506	222
Annual leave	5,412	5,132	4,858	4,594
Sick leave	294	208	270	193
<b>Total kaimahi entitlements</b>	<b>6,283</b>	<b>5,730</b>	<b>5,634</b>	<b>5,009</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) Lease make-good

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Current portion</b>				
Lease make-good	118	-	40	-
<b>Total current portion</b>	<b>118</b>	<b>-</b>	<b>40</b>	<b>-</b>
<b>Non-current portion</b>				
Lease make-good	77	195	77	117
<b>Total non-current portion</b>	<b>77</b>	<b>195</b>	<b>77</b>	<b>117</b>
<b>Total lease make-good</b>	<b>195</b>	<b>195</b>	<b>117</b>	<b>117</b>

#### Group

Movements for each class of provision are as follows:

	Lease make-good \$'000	Total \$'000
<b>Balance at 1 January 2013</b>	<b>195</b>	<b>195</b>
Additional provisions	-	-
Amounts used	-	-
Unused amounts reversed	-	-
Discount unwind	-	-
<b>Balance at 31 December 2013</b>	<b>195</b>	<b>195</b>

#### Parent

Movements for each class of provision are as follows:

	Lease make-good \$'000	Total \$'000
<b>Balance at 1 January 2013</b>	<b>117</b>	<b>117</b>
Additional provisions	-	-
Amounts used	-	-
Unused amounts reversed	-	-
Discount unwind	-	-
<b>Balance at 31 December 2013</b>	<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 are disclosed in note 18.

## 12. Property, Plant and Equipment

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000
<b>Group 2013</b>			
Opening cost at 1 January 2013	23,280	47,333	2,961
Additions	-	2,920	3,911
Disposals	-	-	(44)
Reclassification	-	(265)	265
Impairment	-	-	(20)
Revaluation	-	-	-
<b>Closing cost at 31 December 2013</b>	<b>23,280</b>	<b>49,988</b>	<b>7,073</b>
Opening accumulated depreciation at 1 January 2013	-	-	(1,523)
Depreciation	-	(2,985)	(315)
Disposals	-	-	10
Reclassification	-	2	(2)
Impairment	-	-	11
Revaluation	-	-	-
<b>Closing accumulated depreciation at 31 December 2013</b>	<b>-</b>	<b>(2,983)</b>	<b>(1,819)</b>
<b>NBV at 1 January 2013</b>	<b>23,280</b>	<b>47,333</b>	<b>1,438</b>
<b>NBV at 31 December 2013</b>	<b>23,280</b>	<b>47,005</b>	<b>5,254</b>
<b>Group 2012</b>			
Opening cost at 1 January 2012	22,068	49,163	4,495
Additions	2,750	6,754	246
Disposals	-	-	-
Reclassification	-	831	(831)
Impairment	-	(1)	(949)
Revaluations	(1,538)	(9,414)	-
<b>Closing cost at 31 December 2012</b>	<b>23,280</b>	<b>47,333</b>	<b>2,961</b>
Opening accumulated depreciation at 1 January 2012	-	(4,483)	(2,685)
Depreciation	-	(2,856)	(310)
Disposals	-	-	-
Reclassification	-	(653)	653
Impairment	-	-	819
Revaluations	-	7,992	-
<b>Closing accumulated depreciation at 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>(1,523)</b>
<b>NBV at 1 January 2012</b>	<b>22,068</b>	<b>44,680</b>	<b>1,810</b>
<b>NBV at 31 December 2012</b>	<b>23,280</b>	<b>47,333</b>	<b>1,438</b>

Furniture & equipment \$'000	Computers \$'000	Motor Vehicles \$'000	Waka \$'000	Artwork \$'000	Library \$'000	VLC \$'000	WIP \$'000	Total \$'000
1,718	3,435	9,490	1,272	3,448	6,216	2,615	1,273	103,041
139	1,115	2,344	40	147	715	391	6,886	18,608
-	-	(1,446)	-	(2)	-	-	(7,098)	(8,590)
-	-	-	-	-	-	-	-	-
(282)	(295)	-	-	(18)	(879)	(612)	-	(2,106)
-	-	-	-	-	-	-	-	-
<b>1,575</b>	<b>4,255</b>	<b>10,388</b>	<b>1,312</b>	<b>3,575</b>	<b>6,052</b>	<b>2,394</b>	<b>1,061</b>	<b>110,953</b>
(1,146)	(2,593)	(6,213)	(685)	-	(3,558)	(2,201)	-	(17,919)
(213)	(444)	(1,400)	(45)	-	(711)	(407)	-	(6,520)
-	-	1,406	-	-	-	-	-	1,416
-	-	-	-	-	-	-	-	-
280	287	-	-	-	879	612	-	2,069
-	-	-	-	-	-	-	-	-
<b>(1,079)</b>	<b>(2,750)</b>	<b>(6,207)</b>	<b>(730)</b>	<b>-</b>	<b>(3,390)</b>	<b>(1,996)</b>	<b>-</b>	<b>(20,954)</b>
<b>572</b>	<b>842</b>	<b>3,277</b>	<b>587</b>	<b>3,448</b>	<b>2,658</b>	<b>414</b>	<b>1,273</b>	<b>85,122</b>
<b>496</b>	<b>1,505</b>	<b>4,181</b>	<b>582</b>	<b>3,575</b>	<b>2,662</b>	<b>398</b>	<b>1,061</b>	<b>89,999</b>
1,461	3,219	8,618	1,146	2,781	5,816	2,507	1,594	102,868
257	594	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)
<b>1,718</b>	<b>3,435</b>	<b>9,490</b>	<b>1,272</b>	<b>3,448</b>	<b>6,216</b>	<b>2,615</b>	<b>1,273</b>	<b>103,041</b>
(933)	(2,565)	(5,481)	(653)	-	(3,251)	(2,163)	-	(22,214)
(213)	(396)	(1,335)	(39)	-	(668)	(328)	-	(6,145)
-	4	464	-	-	-	-	-	468
-	-	-	-	-	-	-	-	-
-	364	139	7	-	361	290	-	1,980
-	-	-	-	-	-	-	-	7,992
<b>(1,146)</b>	<b>(2,593)</b>	<b>(6,213)</b>	<b>(685)</b>	<b>-</b>	<b>(3,558)</b>	<b>(2,201)</b>	<b>-</b>	<b>(17,919)</b>
<b>528</b>	<b>654</b>	<b>3,137</b>	<b>493</b>	<b>2,781</b>	<b>2,565</b>	<b>344</b>	<b>1,594</b>	<b>80,654</b>
<b>572</b>	<b>842</b>	<b>3,277</b>	<b>587</b>	<b>3,448</b>	<b>2,658</b>	<b>414</b>	<b>1,273</b>	<b>85,122</b>



## 12. Property, Plant and Equipment (continued)

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000
<b>Parent 2013</b>			
Opening cost at 1 January 2013	23,030	46,133	2,684
Additions	-	2,855	3,775
Disposals	-	-	-
Reclassification	-	(265)	265
Impairment	-	-	(20)
Revaluation	-	-	-
<b>Closing cost at 31 December 2013</b>	<b>23,030</b>	<b>48,723</b>	<b>6,704</b>
Opening accumulated depreciation at 1 January 2013	-	-	(1,393)
Depreciation	-	(2,891)	(267)
Disposals	-	-	-
Reclassification	-	2	(2)
Impairment	-	-	11
Revaluation	-	-	-
<b>Closing accumulated depreciation at 31 December 2013</b>	<b>-</b>	<b>(2,889)</b>	<b>(1,651)</b>
<b>NBV at 1 January 2013</b>	<b>23,030</b>	<b>46,133</b>	<b>1,291</b>
<b>NBV at 31 December 2013</b>	<b>23,030</b>	<b>45,834</b>	<b>5,053</b>
<b>Parent 2012</b>			
Opening cost at 1 January 2012	21,818	47,873	4,304
Additions	2,750	6,731	160
Disposals	-	-	-
Reclassification	-	831	(831)
Impairment	-	(1)	(949)
Revaluations	(1,538)	(9,301)	-
<b>Closing cost at 31 December 2012</b>	<b>23,030</b>	<b>46,133</b>	<b>2,684</b>
Opening accumulated depreciation at 1 January 2012	-	(4,393)	(2,643)
Depreciation	-	(2,758)	(222)
Disposals	-	-	-
Reclassification	-	(653)	653
Impairment	-	-	819
Revaluations	-	7,804	-
<b>Closing accumulated depreciation at 31 December 2012</b>	<b>-</b>	<b>-</b>	<b>(1,393)</b>
<b>NBV at 1 January 2012</b>	<b>21,818</b>	<b>43,480</b>	<b>1,661</b>
<b>NBV at 31 December 2012</b>	<b>23,030</b>	<b>46,133</b>	<b>1,291</b>

Furniture & equipment \$'000	Computers \$'000	Motor Vehicles \$'000	Waka \$'000	Artwork \$'000	Library \$'000	VLC \$'000	WIP \$'000	Total \$'000
1,413	2,668	8,234	1,272	3,210	6,216	2,615	1,196	98,671
123	547	2,009	40	112	712	391	6,886	17,450
-	-	(1,357)	-	(2)	-	-	(7,021)	(8,380)
-	-	-	-	-	-	-	-	-
(282)	(295)	-	-	(18)	(879)	(612)	-	(2,106)
-	-	-	-	-	-	-	-	-
<b>1,254</b>	<b>2,920</b>	<b>8,886</b>	<b>1,312</b>	<b>3,302</b>	<b>6,049</b>	<b>2,394</b>	<b>1,061</b>	<b>105,635</b>
(1,027)	(1,999)	(5,454)	(685)	-	(3,558)	(2,201)	-	(16,317)
(165)	(289)	(1,167)	(45)	-	(711)	(407)	-	(5,942)
-	-	1,323	-	-	-	-	-	1,323
-	-	-	-	-	-	-	-	-
280	287	-	-	-	879	612	-	2,069
-	-	-	-	-	-	-	-	-
<b>(912)</b>	<b>(2,001)</b>	<b>(5,298)</b>	<b>(730)</b>	<b>-</b>	<b>(3,390)</b>	<b>(1,996)</b>	<b>-</b>	<b>(18,867)</b>
<b>386</b>	<b>669</b>	<b>2,780</b>	<b>587</b>	<b>3,210</b>	<b>2,658</b>	<b>414</b>	<b>1,196</b>	<b>82,354</b>
<b>342</b>	<b>919</b>	<b>3,588</b>	<b>582</b>	<b>3,302</b>	<b>2,659</b>	<b>398</b>	<b>1,061</b>	<b>86,768</b>
1,354	2,639	7,541	1,146	2,580	5,816	2,507	1,594	99,172
59	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>1,413</b>	<b>2,668</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>
(848)	(1,991)	(4,897)	(653)	-	(3,251)	(2,163)	-	(20,839)
(179)	(372)	(1,125)	(39)	-	(668)	(328)	-	(5,691)
-	-	429	-	-	-	-	-	429
-	-	-	-	-	-	-	-	-
-	364	139	7	-	361	290	-	1,980
-	-	-	-	-	-	-	-	7,804
<b>(1,027)</b>	<b>(1,999)</b>	<b>(5,454)</b>	<b>(685)</b>	<b>-</b>	<b>(3,558)</b>	<b>(2,201)</b>	<b>-</b>	<b>(16,317)</b>
<b>506</b>	<b>648</b>	<b>2,644</b>	<b>493</b>	<b>2,580</b>	<b>2,565</b>	<b>344</b>	<b>1,594</b>	<b>78,333</b>
<b>386</b>	<b>669</b>	<b>2,780</b>	<b>587</b>	<b>3,210</b>	<b>2,658</b>	<b>414</b>	<b>1,196</b>	<b>82,354</b>

## 12. 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 as 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 \$1,060,650 (2012 - \$1,195,898).

### 13. Intangible assets

Programme development costs were incurred in developing Bachelor in Māori Art L7, Master of Applied Indigenous Knowledge, NZ Certificate in Career Preparation, Papa Kupu, He Papa Tikanga and Mauri Ora Australia.

	Software \$'000	Programme Development \$'000	WIP \$'000	Total \$'000
<b>Group 2013</b>				
Opening cost at 1 January 2013	2,931	10,988	2,210	16,129
Additions	850	2,516	2,110	5,476
Impairment	(93)	(243)	-	(336)
Disposals	-	-	(2,524)	(2,524)
<b>Closing cost at 31 December 2013</b>	<b>3,688</b>	<b>13,261</b>	<b>1,796</b>	<b>18,745</b>
Opening accumulated amortisation at 1 January 2013	(1,830)	(7,801)	-	(9,631)
Amortisation	(503)	(1,216)	-	(1,719)
Impairment	64	165	-	229
<b>Closing accumulated amortisation at 31 December 2013</b>	<b>(2,269)</b>	<b>(8,852)</b>	<b>-</b>	<b>(11,121)</b>
<b>NBV at 1 January 2013</b>	<b>1,101</b>	<b>3,187</b>	<b>2,210</b>	<b>6,498</b>
<b>NBV at 31 December 2013</b>	<b>1,419</b>	<b>4,409</b>	<b>1,796</b>	<b>7,624</b>
<b>Group 2012</b>				
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)
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
<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>



**13. Intangible assets (continued)**

	Software \$'000	Programme Development \$'000	WIP \$'000	Total \$'000
<b>Parent 2013</b>				
Opening cost at 1 January 2013	1,790	6,481	1,395	9,666
Additions	78	1,612	1,123	2,813
Impairment	(93)	(243)	-	(336)
Disposals	-	-	(1,620)	(1,620)
<b>Closing cost at 31 December 2013</b>	<b>1,775</b>	<b>7,850</b>	<b>898</b>	<b>10,523</b>
Opening accumulated amortisation at 1 January 2013	(1,068)	(4,664)	-	(5,732)
Amortisation	(339)	(753)	-	(1,092)
Impairment	64	165	-	229
<b>Closing accumulated amortisation at 31 December 2013</b>	<b>(1,343)</b>	<b>(5,252)</b>	<b>-</b>	<b>(6,595)</b>
<b>NBV at 1 January 2013</b>	<b>722</b>	<b>1,817</b>	<b>1,395</b>	<b>3,934</b>
<b>NBV at 31 December 2013</b>	<b>432</b>	<b>2,598</b>	<b>898</b>	<b>3,928</b>
<b>Parent 2012</b>				
Opening cost at 1 January 2012	1,790	5,602	931	8,323
Additions	-	991	1,128	2,119
Impairment	-	(112)	-	(112)
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
<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>

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 \$336,139 in 2013 consisting of taura IPAT \$93,000, Diploma in Adult Education L6 \$65,812, Certificate in Business and E-Commerce \$177,327. (2012 - \$111,837)

## 14. Equity

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Retained earnings</b>				
Balance at 1 January	129,240	121,293	113,157	104,066
Surplus/(deficit)	4,029	7,947	7,786	9,091
<b>Balance at 31 December</b>	<b>133,269</b>	<b>129,240</b>	<b>120,943</b>	<b>113,157</b>
<b>Property revaluation reserves</b>				
Balance at 1 January	9,524	12,485	9,402	12,437
Gains/(loss) on property revaluations	-	(2,961)	-	(3,035)
<b>Balance at 31 December</b>	<b>9,524</b>	<b>9,524</b>	<b>9,402</b>	<b>9,402</b>
<b>Total equity</b>	<b>142,793</b>	<b>138,764</b>	<b>130,345</b>	<b>122,559</b>

### Property revaluation reserves

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Land and buildings	9,524	9,524	9,402	9,402

## 15. 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.

## 16. Early learning centres

During 2013, Te Wānanga o Aotearoa received grants from the Ministry of Education for early learning purposes.

	2013 \$'000	2012 \$'000
<b>Apakura Te Kakano</b>		
Bulk funding	410	392
Incentive Funding		
Language and kaupapa	3	2
<b>Total Ministry of Education funding received</b>	<b>413</b>	<b>394</b>
Funds applied to:		
Salaries	413	394
<b>Total</b>	<b>413</b>	<b>394</b>
<b>Nga Kakano o te Manukau</b>		
Bulk funding	481	441
Incentive funding		
Low socio-economic	17	11
Special needs	8	5
<b>Total Ministry of Education funding received</b>	<b>506</b>	<b>457</b>
Funds applied to:		
Salaries	488	457
Property occupancy costs	18	-
<b>Total</b>	<b>506</b>	<b>457</b>
<b>Te Rau Oriwa</b>		
Bulk funding	517	655
Incentive funding		
Low socio-economic	20	14
Special needs	10	7
Language and kaupapa	3	2
<b>Total Ministry of Education funding received</b>	<b>550</b>	<b>678</b>
Funds applied to:		
Salaries	473	555
Faculty support	7	31
Resources	12	-
Property occupancy costs	30	30
Property lease	10	-
Provision of meals for tamariki	18	-
Capital expenditure	-	7
Unallocated expenditure	-	55
<b>Total</b>	<b>550</b>	<b>678</b>

## 16. Early learning centres (continued)

2013  
\$'000

2012  
\$'000

Raroera Te Puawai		
Bulk funding	544	574
Incentive funding		
Low socio-economic	10	6
Special needs	9	6
Language and kaupapa	3	2
<b>Total Ministry of Education funding received</b>	<b>566</b>	<b>588</b>
Funds applied to:		
Salaries	512	539
Property occupancy costs	-	24
Resources	3	7
Capital expenditure	51	18
<b>Total</b>	<b>566</b>	<b>588</b>
Whare Amai		
Bulk funding	320	350
Incentive funding		
Low socio-economic	19	-
Special needs	10	-
<b>Total Ministry of Education funding received</b>	<b>349</b>	<b>350</b>
Funds applied to:		
Salaries	349	350
<b>Total</b>	<b>349</b>	<b>350</b>

## 17. Financial instruments

### Financial instrument categories

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

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Financial Assets				
Loans and receivables				
Cash and cash equivalents	3,034	5,376	1,924	4,703
Tauira and other receivables	3,176	3,248	3,059	2,938
Other financial assets:				
Term deposits	50,805	53,004	48,106	49,213
Total loans and receivables	57,015	61,628	53,089	56,854
Financial liabilities at amortised cost				
Creditors and other payables	8,676	10,562	9,759	16,387
Total financial liabilities at amortised cost	8,676	10,562	9,759	16,387



## 17. Financial instruments (continued)

### 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.
- 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.

##### 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. 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. Investments issued at variable interest rates create exposure to cash flow interest rate risk.

Te Wānanga o Aotearoa manages cashflow interest rate risk by reducing the cash on call balance to either 1% of total revenue or \$1,500,000 whichever is greater based on our Treasury Management Policy.

#### (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 on-going 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 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Credit quality of financial assets</b>				
<b>Counterparties with credit ratings</b>				
Cash at bank and term deposits				
AA-	53,839	58,418	50,030	53,915
<b>Total cash at bank and term deposits</b>	<b>53,839</b>	<b>58,418</b>	<b>50,030</b>	<b>53,915</b>
<b>Counterparties without credit ratings</b>				
Tauira and other receivables				
Existing counterparty with no defaults in the past	3,176	3,248	3,059	2,938
<b>Total debtors and other receivables</b>	<b>3,176</b>	<b>3,248</b>	<b>3,059</b>	<b>2,938</b>
<b>Total financial instrument assets</b>	<b>57,015</b>	<b>61,666</b>	<b>53,089</b>	<b>56,853</b>

### (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 as at 31 December 2013 (2012 - \$1 million). The overdraft facility ceased on 17 January 2014. This was a result of Te Wānanga o Aotearoa changing to a new banking provider.

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 2013</b>						
Creditors and other payables	8,676	8,676	8,676	-	-	-
Accrued pay	577	577	577	-	-	-
<b>Total</b>	<b>9,253</b>	<b>9,253</b>	<b>9,253</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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 2013</b>						
Creditors and other payables	9,759	9,759	9,759	-	-	-
Accrued pay	506	506	506	-	-	-
<b>Total</b>	<b>10,265</b>	<b>10,265</b>	<b>10,265</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>

## 17. Financial instruments (continued)

### (c) Liquidity risk (continued)

#### 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 2013</b>						
Cash and cash equivalents	3,034	3,034	3,034	-	-	-
Tauira and other receivables	3,176	3,176	3,176	-	-	-
Other financial assets - term deposits	50,805	50,805	38,699	12,106	-	-
<b>Total</b>	<b>57,015</b>	<b>57,015</b>	<b>44,909</b>	<b>12,106</b>	<b>-</b>	<b>-</b>

<b>Group 2012</b>						
Cash and cash equivalents	5,376	5,376	5,376	-	-	-
Tauira 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 2013</b>						
Cash and cash equivalents	1,924	1,924	1,924	-	-	-
Tauira and other receivables	3,059	3,059	3,059	-	-	-
Other financial assets - term deposits	48,106	48,106	36,000	12,106	-	-
<b>Total</b>	<b>53,089</b>	<b>53,089</b>	<b>40,983</b>	<b>12,106</b>	<b>-</b>	<b>-</b>

<b>Parent 2012</b>						
Cash and cash equivalents	4,703	4,703	4,703	-	-	-
Tauira 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>

#### (d) Sensitivity analysis

The tables below illustrate the potential impact to the surplus or deficit and equity (excluding retained earnings) 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.

		2013 \$000				2012 \$000			
	Note	Surplus	-100bps Other Equity	Surplus	+100bps Other Equity	Surplus	-100bps Other Equity	Surplus	+100bps Other Equity
<b>Group</b>									
<b>Interest rate risk</b>									
<b>Financial assets</b>									
Cash and cash equivalents	1	(30)	-	30	-	(53)	-	53	-
<b>Total sensitivity to interest rate risk</b>		<b>(30)</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>(53)</b>	<b>-</b>	<b>53</b>	<b>-</b>
<b>Parent</b>									
<b>Interest rate risk</b>									
<b>Financial assets</b>									
Cash and cash equivalents	1	(19)	-	19	-	(47)	-	47	-
<b>Total sensitivity to interest rate risk</b>		<b>(19)</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>(47)</b>	<b>-</b>	<b>47</b>	<b>-</b>

#### 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 100 bps is equivalent to a decrease in interest rates of 1.0%.

#### (e) Capital Management

The capital of Te Wānanga o Aotearoa is its equity, which comprises of retained earnings and the property revaluation reserve. 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. The equity of Te Wānanga o Aotearoa's is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings.

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



**18. Statement of commitments and contingencies****(a) Commitments**

	<b>Group 2013 \$'000</b>	<b>Group 2012 \$'000</b>	<b>Parent 2013 \$'000</b>	<b>Parent 2012 \$'000</b>
<b>Capital commitments</b>				
Property, plant and equipment	420	1,033	420	1,033
Intangible Assets	100	-	-	-
	<b>520</b>	<b>1,033</b>	<b>420</b>	<b>1,033</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 eighteen 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 2013 are as follows:

	<b>Group 2013 \$'000</b>	<b>Group 2012 \$'000</b>	<b>Parent 2013 \$'000</b>	<b>Parent 2012 \$'000</b>
Within one year	4,082	3,815	3,185	2,893
After one year but no more than five years	6,248	5,517	3,833	2,968
More than five years	392	938	17	-
	<b>10,722</b>	<b>10,270</b>	<b>7,035</b>	<b>5,861</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:

	<b>Group 2013 \$'000</b>	<b>Group 2012 \$'000</b>	<b>Parent 2013 \$'000</b>	<b>Parent 2012 \$'000</b>
Within one year	130	108	130	108
After one year but no more than five years	105	-	105	-
	<b>235</b>	<b>108</b>	<b>235</b>	<b>108</b>

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

**(b) Contingencies****Personal grievances**

As at 31 December 2013, there are four personal grievance claims against Te Wānanga o Aotearoa (2012 - NIL).

Te Wānanga o Aotearoa is not expecting any payments to be made.

## Contingent Liabilities

### *Litigation*

Te Wānanga o Aotearoa and Open Wānanga Limited have no contingent liabilities as at balance date (2012 - two).

### *Government funding*

Te Wānanga o Aotearoa has a contingent liability of \$692,533 (2012 - \$692,533) related to the creation of a new early learning centre in Manukau. In order to fulfil 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 the 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. This still exists as at balance date.

Te Wānanga o Aotearoa has an overdraft facility of \$1 million in place as at 31 December 2013 (2012 - \$1 million).

The overdraft facility ceased on 17 January 2014. This was a result of Te Wānanga o Aotearoa changing to a new banking provider.

## Contingent Assets

Te Wānanga o Aotearoa has no contingent assets as at balance date (2012 - NIL).

## 19. 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	
		2013 %	2012 %	2013 \$'000	2012 \$'000
Open Wānanga Limited	New Zealand	100	100	1	1
Aotearoa Scholarship Trust	New Zealand	100	100	-	-

### Open Wānanga Limited (including subsidiary DynaSpeak Limited)

Open Wānanga Limited is a wholly owned subsidiary of Te Wānanga o Aotearoa. The board of Open Wānanga Limited is appointed by 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.

### Related party transactions with subsidiaries

	2013 \$'000	2012 \$'000
<b>Subsidiaries</b>		
<b>Open Wānanga Limited (including subsidiary DynaSpeak Limited)</b>		
Sales to Open Wānanga Limited and DynaSpeak Limited	1,144	1,348
Purchases from Open Wānanga Limited and DynaSpeak Limited	24,138	25,419
Donations from Open Wānanga Limited	7,650	5,413
<i>Amounts owing by and to Open Wānanga Limited and DynaSpeak Limited</i>		
Trade receivables	11	24
Trade payables	2,110	7,012
<b>Aotearoa Scholarship Trust</b>		
Sales to Aotearoa Scholarship Trust	2	16
Scholarships from Aotearoa Scholarship Trust	77	67
Payments to Aotearoa Scholarship Trust	5	66
<i>Amounts owing by and to Aotearoa Scholarship Trust</i>		
Trade receivables		
Trade payables	6	-

### Related parties

<b>DynaSpeak English Limited</b>		
Sales to DynaSpeak English Limited	55	696
Payments to DynaSpeak English Limited	1	16
<i>Amounts owing by and to DynaSpeak English Limited</i>		
Trade receivables	79	209
Trade payables	-	-

During the year, Te Wānanga o Aotearoa had services to and purchases from the following entities:

### Te Tau Ihu o Ngā Wānanga:

Bentham Ohia was our former Te Pouhere (Chief Executive Officer) of Te Wānanga o Aotearoa and is also the chair of Te Tau Ihu o Ngā Wānanga. Bentham Ohia's contract ceased as at June 2013.

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. The value of purchases were \$23,000. (2012 - Purchases \$20,000).

### **The University of Auckland:**

Manuka Henare is a Te Mana Whakahaere member of Te Wānanga o Aotearoa and is also a Kaimahi of the University of Auckland. The University of Auckland has made a contribution towards the Maori into Tertiary Education (MITE) project. The value of sales were \$20,000 and the value of purchases were \$1,775 (2012 - Sales \$45,000).

### **Manukau Institute of Technology:**

Manuka Henare is a Te Mana Whakahaere member of Te Wānanga o Aotearoa and is a council 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. The value of purchases were \$9,020. (2012 - Sales \$1,000 and Purchases \$1,000 and Trade Receivables \$52,000).

### **Te Waka Pupuri Putea Limited:**

June McCabe was a Te Mana Whakahaere member of Te Wānanga o Aotearoa and is also a director of Te Waka Pupuri Putea Limited. June McCabe resigned as a Te Mana Whakahaere member in July 2013.

Te Wānanga o Aotearoa rented office space for 12 months in 2013 from Te Waka Pupuri Putea Limited. The value of purchases were \$24,380. (2012 - Purchases \$16,000 and Trade Payables \$2,000).

### **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 student learning resources from GTL Investments Limited. The value of purchases were \$89,000. (2012 - Purchases \$598,000).

### **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 provided administration services in 2012 for Tai Wānanga. The administration services ended in February 2013. The value of sales were \$6,004. (2012 - Sales \$57,000 and Trade Receivables \$1,000).

### **Clendon Park Primary School:**

Tony Iwikau is a Te Mana Whakahaere member of Te Wānanga o Aotearoa and is also a board member of Clendon Park Primary School. Te Wānanga o Aotearoa paid for accommodation to facilitate our noho marae to Clendon Park Primary School. The value of purchases were \$1,435. (2012 - nil).

### **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 \$133.943m (2012 - \$135.109m) to provide education and research services for the year ended 31 December 2013.

### **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 2013 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 and Meridian, 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. The sale and/or purchase of goods and services with third party entities include The University of Auckland, Manukau Institute of Technology and Southern Institute of Technology. These are of an arm's length transaction.

### **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 2013 and 2012 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 2013, 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, (2012 - 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.



## 20. Key Kaimahi Remuneration

### Te Mana Whakahaere remuneration

Wages and salaries include Te Mana Whakahaere and sub-committees remuneration of \$121,058 (2012 - \$120,286) distributed as follows:

		Appointment Date	Retirement Date	2013 \$'000	2012 \$'000
Lloyd Anderson	Council / Audit & Risk	Nov-93	Nov-13	10	11
Richard Batley	Council	Aug-04	-	25	25
Sir Toby Curtis	Council	Apr-09	-	12	10
Deirdre Dale	Council / Audit & Risk	Jan-08	Jul-13	5	7
Gary Dyall	Audit & Risk	Aug-11	-	2	1
Mana Forbes	Council	Jun-98	-	13	10
Manuka Henare	Council	Jan-06	-	4	4
Tania Hodges	Council	Oct-01	-	12	15
Jo Hymers	Council	Jul-11	Sep-12	-	5
Peter Joseph	Council	Sep-07	-	5	4
June McCabe	Council	Mar-05	Jul-13	10	12
Wayne McLean	Audit & Risk	Jul-08	-	1	2
Tukoroirangi Maatiaha-Morgan	Council	Feb-13	-	3	-
Nicholas Manukau	Council	Sep-12	Sep-13	4	3
Angelina Matekohi	Council & Academic Board	Oct-13	-	2	-
Steve Ruru	Audit & Risk	Jun-10	-	2	1
Colleen Tuuta	Council	Aug-11	-	5	11
Rea Wikaira	Audit & Risk	Aug-13	-	4	-
Karl Wixon	Council	Aug-13	-	2	-
				<b>121</b>	<b>121</b>

Directors fees paid by Open Wānanga Limited were as follows:

	2013 \$'000	2012 \$'000
Richard Batley	45	45
Lloyd Anderson	18	18
June McCabe	18	18
	<b>81</b>	<b>81</b>

### Key management personnel compensation

	Parent 2013 \$'000	Parent 2012 \$'000
Kaihautū	1,120	1,192
Te Mana Whakahaere	121	121
	<b>1,241</b>	<b>1,313</b>

	Group 2013 \$'000	Group 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Short term and kaimahi welfare benefits</b>	<b>2,248</b>	<b>2,469</b>	<b>1,190</b>	<b>1,310</b>
Other long term benefits - KiwiSaver	13	3	13	3
Termination payments	38	-	38	-
	<b>2,299</b>	<b>2,472</b>	<b>1,241</b>	<b>1,313</b>

## 21. Events after the balance date

### Organisational Review:

In February 2014, Te Taiurungi (CEO) announced the strategic plan 2014 - 2016 of Te Wānanga o Aotearoa. In order to achieve the strategic focus areas a new structure has been proposed.

Phase 1 of the implementation of the new structure is the recruitment and appointment of the senior leadership team. This process will commence in April 2014.

Once senior leaders are appointed, a progressive re-design of the head office functions is expected to occur and will include a review of how subsidiary operations of Open Wānanga Limited and DynaSpeak Limited could be incorporated. This process will be designed and implemented over the remainder of 2014. The impact on the subsidiary companies is uncertain at this point in time and no decisions have been made regarding their future.

## **22. Explanation of major group variances against budget**

### **Statement of comprehensive income**

#### **Government funding**

Government funding is below budget by \$0.5m with the main contributor being a reduction in Youth Guarantee enrolments. Actual enrolments were 318 against budgeted enrolments 340 representing reduced income of \$0.25m.

#### **Tauira fees**

Tauira fee income is below budget by \$2.0m as a result of not achieving budgeted enrolments in our fee paying programmes. This then impacted on the programmes that were delivered compared to that planned.

#### **Other income**

Other income is above budget by \$0.7m due to an increase in subcontracting revenue.

In particular, major contracts with the Ministry of Social Development and Southern Institute of Technology were extended to deliver additional services.

#### **Kaimahi costs**

Kaimahi costs are above budget by \$0.9m as a result of the following factors:

- a change to the type and number of programmes delivered
- kaiako to tauira ratio's varying from plan
- an increase in overall student numbers of approximately 300 EFTS.

#### **Other expenses**

Other expenses are below budget by \$1.1m due to a reduction in tauira resources, satellite payments and consultancy expenditure. A plan was initiated during the year to reduce overall controllable spend as a result of the factors noted under tauira fees and kaimahi costs.

### **Statement of financial position**

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

Property, plant and equipment is below budget by \$5.2m as a result of building projects being delayed or placed on hold. The main projects budgeted that did not occur in 2013 included a building fit out of \$1m, an office block refurbishment of \$1.3m and seismic strengthening of our distribution centre of \$1m.

#### **Revaluation reserve**

The revaluation reserve is below budget by \$2.9m as a result of the opening budget being higher than actual.











Te Wānanga o Aotearoa

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