

2020 **FINANCIAL REPORT**



North Tec
TAI TOKERAU WĀNANGA



North Tec
TAI TOKERAU WĀNANGA

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OUR ROLE IN TE TAI TOKERAU



NorthTec Tai Tokerau Wānanga is the only Institute of Technology and Polytechnic (ITP) and the largest tertiary education provider in the Northland Te Tai Tokerau region. We deliver more than 100 short award, certificate, diploma, graduate diploma and degree level programmes throughout the region, and have provided practical, quality education since 1978.

In 2020, NorthTec delivered education from campuses and centres in Whangārei, Dargaville, Kaikohe, Kerikeri and Kaitiaki, as well as teaching off-campus at community-based sites and at our international campus in Auckland.

Northland Te Tai Tokerau is one of New Zealand's least urbanised region, with nearly 189,000 residents spread across approximately 13,800 square kilometres, and only half of the population living in urban environments. It has experienced considerable population growth over the past five years, with a number of residents moving from Auckland to take advantage of lower property prices and a more relaxed lifestyle.

The region has a large Māori population, with around 33 per cent of the population identifying as Māori. Improvement of Māori learner achievement, and increased Māori participation at diploma and degree level study, are important issues for NorthTec.

The total number of students enrolled at NorthTec in 2020 was 5,876, corresponding to 2,313 Equivalent Full Time Students (EFTS).

International students made up 8 per cent of our total student number, with 456 students across our Whangārei and Auckland campuses.

In 2020 we became part of the most significant set of changes for the tertiary education sector in more than 25 years, through the Reform of Vocational Education (RoVE) and the transition to Te Pūkenga. The reforms encompass seven key changes designed to create a strong, unified, sustainable vocational education system that is fit for the future of work, and that delivers the skills that learners, employers and communities need to thrive.

NorthTec's vision is "Better lives through education", and our mission is to grow the economic, environmental, cultural and social prosperity of Northland Te Tai Tokerau through vocational education.

We do this through the continued provision of high quality education and support to our students, developing our portfolio to meet the changing demands of our region's learners, and working together with a broad range of community, industry and iwi/hapū stakeholders.

SUMMARY OF NON-FINANCIAL INFORMATION

2,313

TOTAL EFTS (ALL STUDENTS)

EFTS = EQUIVALENT FULL-TIME STUDENT

STUDENT GENDER



44% Female



56% Male

5,876
STUDENTS
ENROLLED
(Headcount)

Formal programmes of study
that lead to a qualification
EFTS by Programme Level
for all MoE-funded students

Level 1 - 3 **614**

Level 4 - 7
Non Degree **614**

Level 7
Degree **354**

Students by AGE GROUP

Under 17
years **7.8%**

17 - 19
years **14.7%**

20 - 24
years **17.2%**

25 +
years **60.4%**

STUDENT ETHNICITY

MĀORI

MoE-funded EFTS
- all students

50%

Headcount
- all students

40%

PASIFIKA

MoE-funded EFTS
- all students

7%

Headcount
- all students

11%

INTERNATIONAL

Headcount
(all students)

456

% of Headcount
(all students)

8%

MoE-Funded EFTS

1,673

NUMBER OF PROGRAMMES OF STUDY

119

COURSE
SUCCESS RATE
(all students)

76%



Statement of **SERVICE PERFORMANCE**

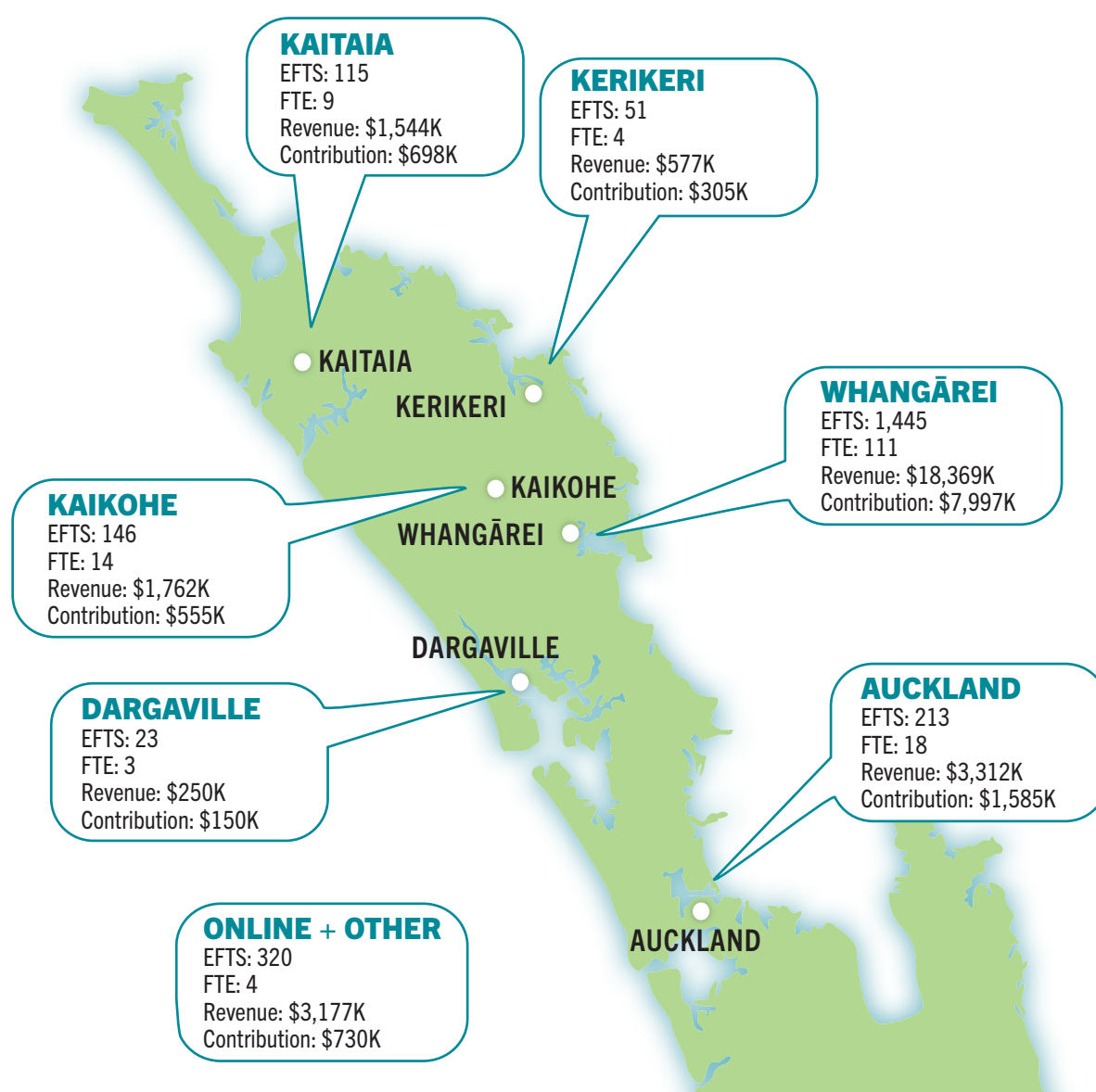
STATEMENT OF SERVICE PERFORMANCE

Introduction

This Statement of Service Performance reports our outcomes and associated impacts as against the strategic priorities set by TEC in accordance with their outcome framework. The output provided by NorthTec to support these outcomes is providing education and training to students (teaching and learning) and support services (essential services to support teaching and learning).

Note 2 provides a faculty view of the output revenue earned and expenses incurred. *Support Services revenue includes \$2.7million of under-delivery of Tertiary Education Commission (TEC) investment plan funding. In response to the COVID-19 pandemic TEC confirmed it will not seek repayment of investment plan funding because of under-delivery in the 2020 year.

The following illustrate where we deliver our teaching and learning output and key delivery statistics (excluding support services) for these locations.



STATEMENT OF SERVICE PERFORMANCE

The below table provides a faculty view of the output revenue earned and expenses incurred, including comparatives:

The cost of service for each significant activity of NorthTec has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Summary Output Revenue and Costs \$000	Business & Service Industries	Construction	Creative Industries & Languages	Manufacturing & Technology	Nursing	Primary Industries	Social Services	Workplace Safety	Other activities international	Total Teaching and Learning by Faculty	Support Services	Total Output
2020 Actual												
Revenue	5,755	3,407	1,756	3,653	4,888	2,787	2,275	553	5,268	30,342	4,401*	34,744
Expenses	5,235	2,175	1,515	2,330	2,174	2,002	1,308	719	4,739	22,196	17,797	39,993
Net Surplus/(Deficit)	520	1,232	241	1,324	2,714	784	968	(166)	529	8,146	(13,519)	(5,249)
2020 Budget												
Revenue	6,002	3,894	3,093	3,488	4,920	3,145	2,114	1,777	8,007	36,441	1,094	37,535
Expenses	3,990	2,071	1,902	2,505	2,559	1,998	1,231	975	6,194	23,424	17,198	40,622
Net Surplus/(Deficit)	2,012	1,823	1,191	983	2,361	1,148	882	802	1,814	13,017	(16,104)	(3,087)
2019 Actual												
Revenue	4,775	3,951	2,645	3,670	4,986	3,615	2,023	1,099	8,231	34,995	1,287	36,282
Expenses	3,715	2,117	1,487	2,250	1,886	2,452	966	898	6,449	22,219	18,889	41,108
Net Surplus/(Deficit)	1,060	1,834	1,158	1,420	3,100	1,163	1,057	201	1,782	12,776	(17,602)	(4,826)

Student participation

In 2020, we delivered training and education to 5,876 students. Of these, 5,420 were domestic students including 103 Youth Guarantee, 228 Adult Community Education, 104 Industry Training Organisation and 571 STAR and Trades Academy, as well as 456 international students. This equates to 2,313 EFTS – 2,031 domestic and 282 international – located throughout Te Tai Tokerau and Auckland.

The continuous focus on improving outcomes for all students is informed by increasingly robust data and information in an organisation with effective teaching and learning, solid educational performance indicators, and good evidence of valued outcomes for graduates.

STUDENT PARTICIPATION	Draft	Target	Actual (unaudited)
SAC students	2020	2020	2019
ALL STUDENTS			
Levels 1 - 3	35.16%	N/A	40.39%
Levels 4 - 7 (non degree)	38.10%	N/A	32.84%
Level 7 (degree)	20.69%	N/A	21.72%
MĀORI			
Levels 1 - 3	58.86%	45%	68.65%
Levels 4 - 7 (non degree)	41.67%	54%	49.40%
Level 7 (degree)	46.88%	32%	47.26%
PASIFIKA			
Levels 1 - 3	7.36%	4%	7.80%
Levels 4 - 7 (non degree)	6.94%	4%	5.70%
Level 7 (degree)	6.25%	8.5%	7.57%

Course completion

Overall, learners at NorthTec achieve well. This reflects NorthTec's commitment to "Better Lives through Education" with a focus on successful outcomes for students at all levels. Course completions for all students remain strong at 74 per cent, with completion rates varying across the organisation with excellent outcomes in some programmes, favourable trends in others, and others identifying ways to improve with some early indications of success.

COURSE COMPLETION	Draft	Target	Actual (unaudited)
SAC students	2020	2020	2019
ALL STUDENTS			
Overall	73.88%	N/A	76.30%
Levels 1 - 3	62.25%	N/A	68.30%
Levels 4 - 7 (non degree)	74.99%	N/A	77.10%
Level 7 (degree)	90.73%	N/A	92.80%
MĀORI			
Overall	70.75%	78%	77.70%
Levels 1 - 3	62.28%	N/A	72.90%
Levels 4 - 7 (non degree)	69.97%	N/A	80.20%
Level 7 (degree)	88.51%	N/A	90.30%
PASIFIKA			
Overall	68.42%	80%	71.20%
Levels 1 - 3	63.02%	N/A	67.90%
Levels 4 - 7 (non degree)	65.77%	N/A	72.70%
Level 7 (degree)	84.35%	N/A	85.30%

N/A: Not an Investment Plan requirement in 2020

For the 2020 Annual Report NorthTec has used the cohorts-based computation to disclose the figures for the qualification completion and progression measures.

Qualification completion

Qualification completion rates, using TECs cohort methodology, for all students is 60 per cent for 2020. SAC-funded students performed well with students at Level 2 exceeding 2020 targets. This can be attributed to a review of Level 2 programmes exited and offered, to better meet the needs of our stakeholders.

QUALIFICATION COMPLETION	Draft	Target	Actual (unaudited)
SAC students	2020	2020	2019
ALL STUDENTS			
Overall	60.20%	N/A	57.60%
Levels 1 - 3	67.80%	N/A	65.70%
Levels 4 - 7 (non degree)	47.50%	N/A	44.30%
Level 7 (degree)	72.30%	N/A	72.60%
MĀORI			
Overall	53.60%	N/A	53.50%
Levels 1 - 3	58.40%	N/A	57.50%
Levels 4 - 7 (non degree)	45.50%	N/A	43.90%
Level 7 (degree)	49.20%	N/A	66.70%
PASIFIKA			
Overall	51.60%	N/A	49.20%
Levels 1 - 3	46.90%	N/A	45.70%
Levels 4 - 7 (non degree)	64.60%	N/A	51.50%
Level 7 (degree)	41.20%	N/A	66.70%

Student Retention

The focus on our qualification completion at Levels 3 and 4 has seen an improvement in 2020 with more work to be done in 2021.

STUDENT RETENTION	Draft	Target	Actual (unaudited)
SAC students	2020	2020	2019
ALL STUDENTS			
Levels 4 - 7	67.90%	N/A	51.60%
Level 7 (degree)	69.90%	N/A	75.10%
MĀORI			
Levels 4 - 7	77.30%	49%	49.20%
Level 7 (degree)	70.50%	74%	77.80%
PASIFIKA			
Levels 4 - 7	25.00%	43%	57.10%
Level 7 (degree)	41.70%	74%	66.70%

N/A: Not an Investment Plan requirement in 2020

Student Progression

STUDENT PROGRESSION	Draft	Target	Actual (unaudited)
SAC students	2020	2020	2019
ALL STUDENTS			
Levels 1 - 3	25.50%	N/A	26.40%
Levels 4 - 7	32.80%	N/A	37.90%
MĀORI			
Levels 1 - 3	26.60%	40%	27.30%
Levels 4 - 7	30.50%	N/A	35.80%
PASIFIKA			
Levels 1 - 3	29.90%	36%	30.40%
Levels 4 - 7	40.90%	N/A	27.80%

First year retention for all students was 68 per cent, 1 per cent lower than 2019. Progression rates remain slightly below target. NorthTec has identified this as an area for improvement, particularly in lifting the expectations of students to achieve higher-level qualifications in Te Tai Tokerau.

We have better understanding of the consistency of our educational performance across our programme areas, year-on-year and by location. There has been a clear emphasis on evidence-based actions and improvements using accurate and timely data. Individual student achievement is well understood and monitored.

This has been backed up by our central support services, which are appreciated by students who value the careful attention to their academic needs to ensure their progress and success. Student satisfaction surveys rate many of these services very highly. Staff in these areas place a high priority on ensuring students are well supported and directed to the right support.

NorthTec is strongly committed to embedding a culture of self-assessment and reflection across all programmes, activities and campuses. Formal and informal processes review and evaluate the value and relevance of the programmes to students, community and employers, and verify high levels of satisfaction with the outcomes achieved.

PRIORITY 1

Delivering skills for industry

NorthTec produces graduates with relevant capabilities to undertake roles in employment and careers within their specific profession or industry. At programme level, various strategies are used to maintain and enhance relationships with industry and community stakeholders. These include involvement in conferences, regular meetings with professional bodies, joint research projects, industry experts as guest speakers, field trips to broaden perspectives and enhance career opportunities, and liaison work to maintain the integrity of clinical placements and work placements.

In 2017 NorthTec set some challenging targets to respond to Industry growth in 2020. In some areas such as Health, Hairdressing, Science and Road Transport we exceeded or nearly hit these targets. Other areas of growth were impacted by individual or numerous causes out of NorthTec's direct control. Primary Industries in Northland was heavily impacted in 2020 by combination of drought, floods and Covid-19. A downturn in the demand for logs impacted our forestry provision. Engineering and Carpentry numbers were impacted by the reduction in ITO provision being delivered along with the impact of Covid 19 which also impacted numbers within our Tourism programmes.

Provision	Target EFTS	Actual EFTS
Primary Industries	229	152
Forestry	169	73
Carpentry	354	211
Engineering	411	260
Travel and Tourism	15	0
Hairdressing	51	63
Health	486	465
Science	38	32
Road Transport	87	75

Graduate outcomes are strong, with good progression to higher-level qualifications and relevant employment outcomes across NorthTec. The value and relevance of qualifications to stakeholders is achieved through strong and purposeful industry and community engagement to inform programme planning and industry alignments. Programme staff are using innovative ways to engage with local employers and communities and provide work-based learning to ensure graduates have the right skills and capabilities for their chosen industry or profession.

NorthTec is well connected to industry, community and the region. Te Tai Tokerau is a very "local" region and stakeholder engagement has historically been based on personal and organisational relationships at all levels.

In 2020 NorthTec made changes to the Senior Leadership Team, the organisational structure and realigned accountabilities to provide a clear process focus to improve the performance of NorthTec. A newly formed Business Development and Demand Management Team has a strategic emphasis on meeting the current and future demands of all stakeholders in the region.

Highly qualified, industry-experienced teaching staff build strong learning relationships with their students to support achievement. Programmes and qualifications continue to be evaluated to ensure they are future-focused and strongly aligned to produce graduates who can transition seamlessly into the workplace and meet the standards required by industry. Key external stakeholders indicate that NorthTec provides high-quality graduates who are work-ready with the relevant skills needed for industry.

Industry Training Organisation (ITO)

	Draft 2020	Target 2020	Actual 2019
ITO EFTS	39.77	N/A	51.16

Full Cost Recovery

	Draft 2020	Target 2020	Actual 2019
Full Cost Recovery EFTS	81.84	N/A	140.37

Innovative practices are used in delivery to support holistic and culturally appropriate student engagement and authentic learning. These have proven successful with students, particularly those studying in the regions. This innovative delivery builds the key skills and capabilities that align with workplace requirements.

Students have access to a range of real-world opportunities which complement their study, including partnering with staff on research projects, entering competitions, supporting community events, industry projects, internships and work placements. Staff engage students as partners in research projects which provide valuable experience to prepare them for the workforce. Community based projects are integrated into teaching and learning and this is supporting the needs of communities, including painting and renovating housing, town beautification and maintenance activities in communities of low socio-economic status.

PRIORITY 1

Delivering skills for industry

Students gain a range of professional, technical and work-ready skills at the standard required for employment and further study. Core skills and capabilities being achieved by students include self-confidence, time management, and an ability to work in teams with a range of complementary skills and abilities such as problem-solving and positive attitudes. Students and graduates have been successful in winning medals at regional competitions and going forward to national competitions, and value the opportunity to showcase their technical abilities and work-ready skills.

Students and stakeholders value the quality of teaching at NorthTec and attribute their success to the commitment and dedication of staff. The positive learning environment, strong relationships between staff and students, high level of industry-specific experience and willingness to support students in their studies, are key contributing factors which engage students and lead to increased interest, enjoyment and success.

Teaching staff are highly experienced and knowledgeable in their specialist areas with diverse and extensive links with industry and research

opportunities. Students value the positive, responsive and industry-aligned learning environment that provides opportunities for students to achieve new skills and knowledge. NorthTec has recently implemented a range of approaches to gather reliable information and obtain formal feedback from stakeholders to inform areas for improvement.

NorthTec regularly reviews its programmes and activities to ensure that different stakeholder needs are being met. This has provided an opportunity for NorthTec to ensure that programmes are industry-relevant, use flexible delivery strategies, are student centred and use appropriate digital technology.

NorthTec maintains local and national relationships and affiliations with a number of professional and industry forums that result in positive outcomes for students. NZQA consistency reviews undertaken in 2020 demonstrate that NorthTec has met requirements, assuring national consistency of graduate outcomes.

91%
⇒ equal to 2019

of graduates were satisfied with their studies at NorthTec

91% **↑4%**
increase from 2019

of employed students agreed they used their acquired skills and knowledge gained from their qualification

80% **↑2%**
increase from 2019

of employed graduates said their employment was related to their course of study

4.25/5.00
NorthTec has up-to-date industry resources and equipment



4.62/5.00
Chosen programme is relevant to the real world



Footnote

MyQ (Rate My Qualifications) is a satisfaction tool enabling recent graduates of certificate, diploma or degree programmes to provide feedback on aspects of their tertiary experience and qualification.

2020 NorthTec Employer Satisfaction Survey

2020 NorthTec Satisfaction Survey and the 2019/2020 Student Outcome Survey (Sliding Scale 1-5)

NorthTec Graduate Outcome Survey 2018 (Sliding Scale 1-5)

NorthTec has decided not to report the performance information on expected graduates, as we believe this only provides one view of a successful outcome measure. For example, many of our students leave courses and qualifications before completion, in order to take up skilled employment due to the skills they have acquired.

PRIORITY 2

Getting at-risk young people into a career

For most young people, achieving a tertiary qualification is a crucial milestone towards a successful working career. Northland presents a challenging landscape, with high rates of young people not in employment, education or training (NEET) in New Zealand. Latest figures show that close to 16 per cent (2,400) of Northland youth between the ages of 15 and 24 were NEET in Northland. For those aged between 20 and 24, the proportion was higher at 21 per cent.

Around half of Northland school leavers are not in tertiary study the year after leaving school, and those going into tertiary study are more likely to study at low levels. Currently the proportion of young people staying in school until at least 17, and the proportion of those achieving NCEA Level 2 or equivalent, are 4 per cent lower in Northland than national levels.

As many jobs in Northland are in rural areas with very limited access to public transport, driver licensing is critical for people to get to work, yet many people do not have a valid licence. Demand for unqualified labour (those with no post-school qualifications), especially in the primary sector in New Zealand, is forecast to decline.

Student Participation under 25

	Draft 2020	Target 2020	Actual (unaudited) 2019
SAC students			
Levels 1 - 3	38.13%	N/A	33.90%
Levels 4 - 7 (non degree)	40.43%	N/A	42.66%
Level 7 (degree)	39.77%	N/A	36.03%

All students under 25 years

All students **40.2%** (Headcount: 2,328)

Successful course completion **76%** ↓ (3% decrease on 2019)

Successful qualification completion **72%** ↑ (10% increase on 2019)

Course completions under 25

	Draft 2020	Target 2020	Actual (unaudited) 2019
SAC students			
Overall	71.43%	N/A	79.80%
Levels 1 - 3	55.78%	N/A	72.00%
Levels 4 - 7 (non degree)	73.65%	N/A	81.50%
Level 7 (degree)	91.21%	N/A	91.30%

Qualification completions under 25

	Draft 2020	Target 2020	Actual (unaudited) 2019
SAC students			
Overall	53.20%	N/A	50.50%
Levels 1 - 3	55.80%	N/A	51.70%
Levels 4 - 7 (non degree)	50.90%	N/A	47.70%
Level 7 (degree)	49.40%	N/A	59.30%

Youth Guarantee

	Draft 2020	Target 2020	Actual 2019
SAC students			
Youth Guarantee EFTS	60.54		85.72

SAC students under 25 years

SAC students **33%** (Headcount: 1,153)

Successful course completion **71%** ↓ (9% decrease on 2019)

Successful qualification completion **53%** ↑ (3% increase on 2019)

PRIORITY 2

Getting at-risk young people into a career

STAR and Trades Academy (TA)

	Draft 2020	Actual 2019
STAR and TA EFTS	114.64	111.88

Tai Tokerau STAR and Trades Academy programmes continued to support students to study free for a year at several secondary schools and NorthTec simultaneously, working towards nationally transferable qualifications in areas such as automotive and engineering, electronics, horticulture, hospitality and the arts. In 2020, 575 students participated in STAR and taster courses.

Ngawha Corrections students played an important role in community projects. As well as gaining valuable technical skills and capabilities, the students felt a strong sense of pride and were able to see the value of gaining formal qualification, with 70 per cent of students aged under 25 in Ngawha successfully completing courses at Levels 2 to 4.

The aPlus+ plugin "Revive" is embedded across the institution. This provides an early warning of learners who are at risk of not successfully completing their current course of study. Revive allows us to record and track our efforts to try to retain students at risk through quick identification and internal notifications of support interventions.

Our support services to ākonga (learners) have been transformed and embedded across NorthTec to support academic achievement. The academic support and library teams have worked in collaboration with tutors and other services, resulting in feedback from our ākonga praising the exemplary manaaki (compassion and care) they have been shown.

Highly skilled staff who are strongly ākonga-centred in their practice are providing quality support to learners and tutors to encourage class attendance, complete assessments and assignments, address social barriers, support our youth, navigate institution systems and processes (internal and external), feel well, healthy and safe, and to receive timely support that is respectful and accurate.

4.46/5.00

NorthTec provides services that are relevant to my needs



4.32/5.00

NorthTec provides services that are available when I need them



In 2020, Te Ara Poutama - support teams (navigators, academic advisors, navigator equity - disabilities, student voice and manager), supported 2041 ākonga and provided 9849 interactions (Liaison-manakitanga, Hardship and Learning). One hundred and sixty-one (161) ākonga with disabilities were supported and ākonga who identified as Māori or Pākehā, between the age of 16-40 years and female were the highest users.

The Student Health Centre sole charge nurse, had 1,514 interactions with ākonga, providing support with General health, Sexual health and Mental and Emotional health. Ākonga who identified as Pākehā or Māori, between the age of 16-24 years and female, were the highest users. As well as 196 interactions with ākonga who identified as International. Sixty-nine (69) ākonga accessed the counselling services.

Support services are available at Kaitia, Kerikeri, Kaikohe, Dargaville and Whangārei.

PRIORITY 3

Boosting achievement of Māori and Pasifika

Māori are a significant part of the Northland economy, accounting for 33 per cent of the population and 26 per cent of the labour force. Students on a number of programmes had the opportunity to learn and apply work skills in realistic work environments while providing real benefit to communities.

Improving Māori achievement, success and further strengthening relationships with iwi, community and business in the region, at all levels of the organisation, remains a priority for NorthTec. Providing social and cultural value to whānau, hapū and iwi within Te Tai Tokerau communities is high on the agenda of NorthTec staff and students.

13,070 Māori currently aged 5-14 years will be in the labour force in 10 years' time. This presents a significant opportunity for Māori and reinforces the need for carefully tailored vocational pathways into further/higher study and/or skilled employment.

Participation

SAC-funded Māori and Pasifika students continued overall to exceed participation targets. Participation rates for Māori were significantly higher than the 33 per cent Māori population of Northland. For Levels 1 to 3 Māori participation rates were significantly higher, 22 per cent above target at 55 per cent. For non-degree students at Level 4 to 7 participation rates were slightly below the 52 per cent target at 39.5 per cent. Māori participation in degree programmes continues to exceed participation rates, 17 per cent above the target at 47 per cent. Pasifika participation rates at all levels continued to exceed targets between 2 to 4 per cent.

SAC students	Draft	Target	Actual (unaudited)
Non-Māori, Non Pasifika Participation	2020	2020	2019
Levels 1 - 3	37.29%	51%	47.94%
Levels 4 - 7 (non degree)	54.01%	42%	66.15%
Level 7 (degree)	50.28%	77%	72.32%
Māori Participation	Draft	Target	Actual (unaudited)
	2020	2020	2019
Levels 1 - 3	58.86%	45%	68.65%
Levels 4 - 7 (non degree)	41.67%	54%	49.40%
Level 7 (degree)	46.88%	32%	47.26%
Pasifika Participation	Draft	Target	Actual (unaudited)
	2020	2020	2019
Levels 1 - 3	7.36%	4%	7.80%
Levels 4 - 7 (non degree)	6.94%	4%	5.70%
Level 7 (degree)	6.25%	8.5%	7.57%

Course completion

All students

In 2020, 71 per cent of Māori successfully completed courses, a decrease of 5 per cent on 2019. The achievement gap between all funded Māori and non-Māori successful course completions is 8 per cent, with 79 per cent of all funded non-Māori successfully completing courses. In 2020, 68 per cent of Pasifika successfully completed courses.

SAC students	Draft	Target	Actual (unaudited)
Non-Māori, Non Pasifika Course Completion	2020	2020	2019
Overall	77.74%	81%	85.90%
Levels 1 - 3	62.86%	N/A	81.40%
Levels 4 - 7 (non degree)	80.09%	N/A	85.80%
Level 7 (degree)	92.90%	N/A	93.30%
Māori Course Completion	Draft	Target	Actual (unaudited)
	2020	2020	2019
Overall	70.75%	78%	77.70%
Levels 1 - 3	62.28%	N/A	72.90%
Levels 4 - 7 (non degree)	69.97%	N/A	80.20%
Level 7 (degree)	88.51%	N/A	90.30%
Pasifika Course Completion	Draft	Target	Actual (unaudited)
	2020	2020	2019
Overall	68.42%	80%	71.20%
Levels 1 - 3	63.02%	N/A	67.90%
Levels 4 - 7 (non degree)	65.77%	N/A	72.70%
Level 7 (degree)	84.35%	N/A	85.30%

N/A: Not an Investment Plan requirement in 2020

PRIORITY 3

Boosting achievement of Māori and Pasifika

In 2020, 71 per cent of SAC funded Māori learners successfully completed courses, a decrease of 7 per cent on 2019. The achievement gap between Māori and non-Māori SAC funded learners completing courses successfully is 7 per cent.

There are persistent gaps between Māori and non-Māori course achievement in a number of programmes, but also instances of this gap being closed where targeted strategies and interventions, improvements and support have been put in place. This has supported strong trends for Māori course qualification completions in 2020. This is further supported by graduate numbers, with Māori and Pasifika graduates being respectively up 14 per cent on commitment at 739 graduates, and up 16 per cent on commitment at 110 graduates. Non-Māori and non Pasifika graduates were at 801 compared to a commitment of 875.

Survey responses from students who identified as Māori

4.68/5.00

Tutors are up to date in subject and teaching knowledge



4.75/5.00

Tutors are approachable



4.71/5.00

Chosen programme is relevant to my needs and goals



Qualification completions

All students

In 2020, 59 per cent of Māori successfully completed qualifications, an increase of 2 per cent on 2019. The achievement gap between all funded Māori and non-Māori successfully completing qualifications is 14 per cent, with 73 per cent of all non-Māori learners successfully completing qualifications.

SAC students

In 2020, 54 per cent of Māori successfully completed qualifications, an increase of 1 per cent on 2019. The achievement gap between SAC funded Māori and non-Māori learners successfully completing qualifications is 5 per cent, with 59 per cent of non-Māori SAC learners successfully completing qualifications.

	Draft 2020	Target 2020	Actual (unaudited) 2019
Non-Māori, Non Pasifika Qualification Completion			
Overall	60.20%	N/A	57.60%
Levels 1 - 3	67.80%	N/A	65.70%
Levels 4 - 7 (non degree)	47.50%	N/A	44.30%
Level 7 (degree)	72.30%	N/A	72.60%

	Draft 2020	Target 2020	Actual (unaudited) 2019
Māori Qualification Completion			
Overall	53.60%	N/A	53.50%
Levels 1 - 3	58.40%	N/A	57.50%
Levels 4 - 7 (non degree)	45.50%	N/A	43.90%
Level 7 (degree)	49.20%	N/A	66.70%

	Draft 2020	Target 2020	Actual (unaudited) 2019
Pasifika Qualification Completion			
Overall	51.60%	N/A	49.20%
Levels 1 - 3	46.90%	N/A	45.70%
Levels 4 - 7 (non degree)	64.60%	N/A	51.50%
Level 7 (degree)	41.20%	N/A	66.70%

N/A: Not an Investment Plan requirement in 2020

PRIORITY 3**Boosting achievement of Māori and Pasifika****Retention**

	Draft 2020	Target 2020	Actual (unaudited) 2019
Non-Māori, Non Pasifika Retention			
Levels 4 - 7	67.90%	51%	55.20%
Level 7 (degree)	74.30%	75%	81.50%
Māori Retention	Draft 2020	Target 2020	Actual (unaudited) 2019
Levels 4 - 7	77.30%	49%	49.20%
Level 7 (degree)	70.50%	74%	77.80%
Pasifika Retention	Draft 2020	Target 2020	Actual (unaudited) 2019
Levels 4 - 7	25.00%	43%	57.10%
Level 7 (degree)	41.70%	74%	66.70%

Progression

	Draft 2020	Target 2020	Actual (unaudited) 2019
Non-Māori, Non Pasifika Progression			
Levels 1 - 3	23.20%	40%	25.70%
Levels 4 - 7	34.30%	N/A	40.90%
Māori Progression	Draft 2020	Target 2020	Actual (unaudited) 2019
Levels 1 - 3	26.60%	40%	27.30%
Levels 4 - 7	30.50%	N/A	35.80%
Pasifika Progression	Draft 2020	Target (unaudited) 2020	Actual 2019
Levels 1 - 3	29.90%	36%	30.40%
Levels 4 - 7	40.90%	N/A	27.80%

NorthTec continues to work with Māori in a range of ways to improve engagement, participation and achievement in our programmes. The Raumanga where hui has provided opportunities for whakawhanaungatanga, learning in a culturally appropriate space, and free accommodation for regional students.

Te Puna o Te Mātauranga marae has hosted a range of professional development sessions with whanaungatanga as the focus. It has seen an increase in usage for staff hui, key internal and external stakeholder meetings and conferences, which has enhanced NorthTec's engagement with staff, the local community and iwi. Student initiatives, such as study groups for Māori students on the marae and "kai and catch up", have also proved successful.

Hospitality students provided value to staff and students while they learned each week in the marae kitchen, preparing and serving low-cost lunches on a commercial cost-recovery basis. This supported the students in learning about nutrition and cooking economical healthy meals for themselves and their families. Our regional trade-based students continued to apply their skills to support community projects, like repairing and painting churches, local houses and marae.

Survey responses from students who identified as Māori

4.60/5.00 A good place to study
★★★★☆

4.64/5.00 Chosen programme is up-to-date
★★★★☆

PRIORITY 4

Improving adult literacy and numeracy

4.30/5.00*

Students are satisfied to very satisfied with the support provided to develop Literacy and Numeracy Skills



Lifting literacy and numeracy skills of students and staff continues to be a priority for NorthTec. The investment over time in the development and support of staff to enable them to achieve qualifications in Adult Literacy and Numeracy has enabled staff to raise their skills and equip themselves with strategies to develop the literacy and numeracy skills of learners.

Staff have a clear understanding of how to administer the literacy and numeracy diagnostic tool, how to read the results of this tool, how to embed appropriate levels of literacy and numeracy skills into their schemes of work, and how to align their teaching to the relevant levels of the Adult Learning Progressions.

NorthTec learners engaged well with the literacy and numeracy diagnostic tool early in 2020 with 97 per cent of learners completing initial assessments in Numeracy and 98 per cent in Literacy. Most of this initial test occurring prior to March. Testing during the Covid lockdown period continued as best possible by sending students on line links to the test site and providing assistance to using the tool.

78 per cent of students completed progress assessments in Numeracy and 79 per cent in Literacy. This is a noted decrease in participation which is likely due to the effects of Covid lockdown. Significant gains made by students in Numeracy decreased by 11 per cent to 20 per cent and 15 per cent making significant gains in Literacy which is a 2 per cent decrease from 2019.

97% ↑ of students completed **initial numeracy assessments**
98% ↑ of students completed **initial literacy assessments**

78% ↓ of students completed **progress numeracy assessments**
79% ↓ of students completed **progress literacy assessments**

20% ↓ of students making significant gains in **numeracy**

15% ↓ of students making significant gains in **literacy**

Literacy and numeracy is embedded into all Level 2 programmes, and further curriculum development work will ensure that embedded practice of literacy and numeracy is “business as usual” at Level 3. Individual learning plans are prepared with learners that test at Steps 1 and 2 of the Adult Learning Progressions, with individual literacy and numeracy goals being set by the learners.

Adult Literacy and Numeracy Education and Adult Tertiary qualifications programmes continue to be a priority for professional development for all tutors teaching at Levels 2 and 3 at NorthTec, to assist with the achievement of a fully embedded approach to improving literacy and numeracy for our students.

Adult Community Education (ACE)

	Draft 2020	Target 2020	Actual 2019
ACE EFTS	28.79	N/A	35.22

* 2020 General Students Survey Reports (Sliding Scale 1-5)

N/A: Not an Investment Plan requirement in 2020

PRIORITY 5

Strengthening research-based institutions

2020 should have been a vibrant year for us in research at NorthTec. We had planned the transition from an annual spend and control entity to a Research and Enterprise division serving Iwi, Communities and Industry and attracting external research funding. We had identified our key point of difference as place and were strategising to bring a greater place-based focus to our work. We had recovered from a less than satisfactory PBRF round and begun to rebuild.

2020, the first year of Covid 19, was a very challenging year for research at NorthTec. The need to move to online delivery early in semester one was a herculean task which consumed a huge amount of staff effort and time. The pastoral care involved in supporting anxious students at a distance one to one was an important role but one which robbed us of research hours. Many staff needed to work every day, often for extended hours.

Conferences were postponed, two of them scheduled to be held at NorthTec, others were held virtually on a smaller scale. Journals were scaled back, issues suspended, and public research events were cancelled. The research committee suffered several resignations as academics struggled to manage their increased workloads. This comes on the heels of the 2019 report which noted research goals were compromised by staff already working at capacity. Many research projects were abandoned or suspended. No research ethics meetings were formally called as no approvals were needed.

Responding to this the research committee scheduled its meetings for every second month and held a series of meetings to encourage research in departments. Maggie Buxton was appointed as a facilitator to assist staff and teams to develop research projects. The committee began to recruit and appoint research fellows to broaden its research base and build a more comprehensive research team.

Despite a difficult environment some great research outcomes were achieved. Highlights for the year were some very successful collaborations. Leading some of these has been the Te Pūkenga research director's forum which has been a beacon of what Te Pūkenga could become.

Peter Bruce-Iri conducted to externally funded projects in concert with Unitec. This collaboration saw a successful expo on sustainable agriculture which was held at NorthTec and surrounded by some beautiful and challenging photographic work by a young school student. This work, which was funded by UNESCO, utilised traditional soil science and augmented these with traditional Māori knowledge and practices, and was informed by farmer and Kaumatua interviews.

Nursing held its fourth annual Nursing showcase. Around 50 professionals from primary, community and acute nursing sectors in Northland participated in the event and discussed research initiatives to contribute to the future of Nursing in Te Tai Tokerau. The showcase involves nurses, tutors and students who gathered to celebrate the International year of the Nurse. Participants celebrated the research nurses undertake to improve the quality of care in our communities and the network and support alliance between nursing groups in Northland.

Arts and in particular Māori Arts continue to be a strong contributor to NorthTec's research outputs. Hundertwasser Te Hononga Centre Kawakawa saw a number of contributions from our teams as part of a Partnership with Ngati Hine Runanga o Ngāpuhi, Hundertwasser Park, FNDC Design team for interior spaces also Public Artworks.

Social Services launched Ō Tātou Moemoeā, a research dissemination and professional development series commencing with Dr Paul e Ruwhiu's doctoral study on decolonising social work education. Tutors Sue Vaughan and Angie Dang presented at the AKO Aotearoa conference and both were published in a NZ QA journal. Academic leader Tanya Newman wrote a substantial report on students staircasing into digital learning and Pathway Manager John Stansfield had a book chapter published internationally.

Our Environmental sciences team found it difficult to trump our 2019 achievement of having a 3rd year student discover a new species and were disappointed when the ECOSOC conference they had been heavily involved in suffered a Covid postponement. The team continue to build relations across Iwi and Local government and work extensively with voluntary organisations dedicated to environmental protection and enhancement.

PRIORITY 5

Strengthening research-based institutions

The emergent collaborations through the Te Pūkenga network saw work on marine macro plastic pollution being conducted by Manue Martinez expanded to incorporate a micro plastic marine pollutant study from Southern Institute of Technology. The project, which involves student science, utilises and builds the skills of school students in both regions as student researchers. Manue's research project is a model for our future research direction which involves co-funding by the Northland Regional Council and NorthTec, and involves students in NorthTec environmental programs.

Research collaborations have been made which strengthen the capacity of our research effort. NorthTec has cancelled its subscriptions to ROMS, the Research Output Monitoring Software used by most of the ITO's. This cost saving meant a lot of extra work for individual research leaders, librarians, and the research committee. It also hampered our ability to easily present ourselves as a credible research organisation. An initiative within the Te Pūkenga research director's forum saw a number of smaller subsidiaries come together under Unitec to redevelop a ROMS solution at a fraction of the original cost.

The research directors continued to meet regularly, and several new publications have emerged from these collaborations which will provide future publishing opportunities for our staff. Two of the conferences scheduled to be held at NorthTec in 2020 have been rescheduled for 2021.

Performance-Based Research Fund (PBRF)

	2020 Actual \$000	2020 Budget \$000	2019 Actual \$000
Revenue	57	52	46
Expenses	10	51	58
Net Surplus/(deficit)	47	1	(12)

PRIORITY 6

Growing international linkages

International Education at NorthTec was severely impacted by the Covid 19 pandemic which resulted in forecasted EFTS not been achieved (282 EFTS v 650 EFTS). However in 2020 we continued to provide efficient and effective education and support to our international students.

Successful course completion **88.5%** ↑ (2% increase on 2019)

Successful qualification completion **88.7%** ↑ (7% increase on 2019)

Our China partnership relationships continue to focus on vocational education in order to provide a pathway for Chinese students who are enrolled in our partnership schools to come to study at NorthTec for higher qualifications. The long-term partnership relationships establish pipelines of international students that result in generating sustainable revenue for NorthTec as well as social, cultural and economic benefits for local communities.

Three joint programmes in the Zhejiang Province and Jiangsu Province have been approved by the China Ministry of Education in the areas of Business, Tourism and Horticulture. NorthTec provide teaching and learning assistance to these partnerships to help them incorporate western pedagogy into their curriculum. NorthTec has established pathways for the programmes which gives the students the opportunity to come to New Zealand to study at NorthTec to obtain higher qualifications.

Our established 20 partnership institutions are situated in Guangdong Province, Zhejiang Province, Jiangsu Province and Hainan Province in China. Our work with these institutions focuses on tertiary institutions who offer certificate and diploma level programmes. NorthTec's Pearson Test of English (PTE) continues to do well despite Covid-19 as the onshore demand still remains. In 2020, the numbers did decrease when compared to 2019, but a leading factor in this was NorthTec having to close the PTE Centre over the various lockdowns held in Auckland.

NorthTec continues to use appropriate practices to support the success of international students and to manage growth in this area. The monitoring of the Code of Practice is well managed.

International Students

48 % ↓ 282 EFTS (2020)
547 EFTS (2019)

Headcount 47% ↓



2020 **FINANCIAL REPORTING**

AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Northland Polytechnic Limited's financial statements and statement of service performance for the period ended 31 December 2020

The Auditor-General is the auditor of Northland Polytechnic Limited (the company). The Auditor-General has appointed me, Carl Wessels, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 28 to 58, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the period ended on that date and the notes to the financial statements that include accounting policies and other explanatory information ; and
- the statement of service performance of the company on pages 6 to 20.

In our opinion:

- the financial statements of the company on pages 28 to 58:
 - present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the period then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the statement of service performance on pages 6 to 20:
 - presents fairly, in all material respects, the company's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2020; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 April 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Emphasis of matters

Without modifying our opinion, we draw your attention to:

Te Pūkenga subsidiaries to exist until 31 December 2022

The basis of preparation Note 1 on page 32 outlines that all Te Pūkenga subsidiaries will continue in existence until 31 December 2022. There have been no changes to the financial statements as the rights, assets, and liabilities of the company will be transferred to Te Pūkenga.

Impact of Covid-19

Pages 6 to 20 of the statement of service performance and Note 19 on page 55 outlines the impact of Covid-19 on the company.

Basis for our opinion

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

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

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

Responsibilities of the Board of Directors for the financial statements and the statement of service performance

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is also responsible on behalf of the company for preparing a statement of service performance that is fairly presented and that complies with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors' responsibilities arise from the Education and Training Act 2020 and the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists.

Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the company's approved budget and Investment Plan.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 5, 21, 26 and 59 to 64, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

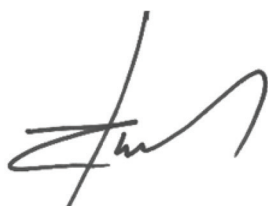
Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

Other than the audit, we have no relationship with, or interests in, the company.




Carl Wessels

Audit New Zealand

On behalf of the Auditor-General

Auckland, New Zealand



STATEMENT OF RESPONSIBILITY

For the 9 months ended 31 December 2020

In terms of the Education and Training Act 2020 and the Crown Entities Act 2004, Board and Management certify that:

- 1 We have been responsible for the preparation of these financial statements and the statements of service performance for Northland Polytechnic Limited and the judgements used therein.
- 2 We have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial information.
- 3 We are of the opinion that these financial statements and the statements of service performance fairly reflect the financial position of Northland Polytechnic Limited as at 31 December 2020 and the results of the operations for the 9 months ended 31 December 2020.



Ripeka Evans
Board Chairperson
30 April 2021



Toa Faneva
Chief Executive
30 April 2021

FINANCIAL STATEMENTS AND NOTES

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FINANCIAL STATEMENTS AND NOTES

Statement of Comprehensive Revenue and Expense for the 9 months ended 31 December 2020

		Actual 9 months ended 31 December 2020 \$000	Budget 9 months ended 31 December 2020 \$000
Revenue	Note		
Government grants	2	1,356	1,064
Tuition fees	2	7,245	11,209
Other revenue	2	1,408	1,320
Total revenue		10,009	13,593
Expenses			
Personnel costs	3	18,318	18,061
Depreciation and amortisation expense	9,10	1,939	2,322
Other expenses	4	9,990	10,085
Total expenses		30,247	30,468
Surplus/(deficit)		(20,238)	(16,875)
Other comprehensive revenue and expense			
Transfer to reserves	15	-	-
Property revaluations	15	-	-
Total other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense		(20,238)	(16,875)

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

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

Statement of Financial Position as at 31 December 2020

		Actual As at 31 December 2020	Budget As at 31 December 2020	Actual Opening Balance 1 April 2020
		\$000	\$000	\$000
Assets	Note			
Current assets				
Cash and cash equivalents	5	2,391	1,931	4,138
Receivables	6	3,630	4,268	15,258
Other financial assets	7	3,000	6,596	10,062
Inventories	8	19	19	15
Non-current assets held for sale		-	-	-
Prepayments		232	217	580
Total current assets		9,272	13,031	30,053
Non-current assets				
Property, plant and equipment	9	46,096	42,003	46,716
Intangible assets	10	173	118	243
Investment in other entities	11	1,227	1,209	1,104
Total non-current assets		47,497	43,330	48,063
Total assets		56,769	56,360	78,116
Liabilities				
Current liabilities				
Payables	12	2,168	2,631	4,360
Deferred revenue	13	5,692	6,269	5,285
Employee entitlements	14	1,704	1,476	1,002
Provisions	16	1,109	1,100	1,109
Total current liabilities		10,672	11,476	11,757
Non-current liabilities				
Employee entitlements	14	-	-	16
Total non-current liabilities		-	-	16
Total liabilities		10,672	11,476	11,773
Net assets		46,099	44,884	66,345
Equity				
General funds	15	14,654	17,625	34,892
Property revaluation reserves	15	31,372	27,176	31,372
Restricted reserves	15	73	83	81
Total equity		46,099	44,884	66,345

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

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

Statement of Changes in Equity for the 9 months ended 31 December 2020

		Actual 9 months ended 31 December 2020 \$000	Budget 9 months ended 31 December 2020 \$000
	Note		
Balance at 1 April		66,345	47,971
Transfer to reserves		(8)	-
Total comprehensive revenue and expense		(20,238)	(3,087)
Balance at 31 December	15	46,099	44,884

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

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the 9 months ended 31 December 2020

		Actual 9 months ended 31 December 2020 \$000	Budget 9 months ended 31 December 2020 \$000
Cash flows from operating activities			
Receipts from government grants		15,977	13,973
Receipts from tuition fees		4,525	11,209
Interest revenue received		105	146
Dividends received		1	15
Receipts from other revenue		1,301	1,160
Payments to employees		(17,632)	(18,061)
Payments to suppliers		(12,030)	(10,527)
Goods and services tax (net)		190	-
<i>Net cash flow from operating activities</i>		(7,563)	(2,086)
Cash flows from investing activities			
Receipts from sale of property, plant and equipment		5	-
Application of student hardship funds		-	-
Purchase of property, plant and equipment		(1,251)	(1,593)
Purchase of intangible assets		-	-
Acquisition of shares		-	-
Purchase of investments		(7,757)	-
Receipts from sale/maturity of investments		14,819	3,000
<i>Net cash flow from investing activities</i>		5,816	1,407
Net (decrease)/increase in cash and cash equivalents		(1,747)	(678)
Cash & cash equivalents at beginning of the year		4,138	2,609
Cash & cash equivalents at end of the year		2,391	1,931

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

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS AND NOTES

Statement of Cash Flows for the 9 months ended 31 December 2020 (continued)

Reconciliation of net surplus (deficit) to the net cash flow from operating activities

	Actual	Budget
	9 months ended 31 December 2020	9 months ended 31 December 2020
	\$000	\$000
Surplus/(deficit)	(20,238)	(2,316)
Add/(less) non-cash items		
Depreciation and amortisation expense	1,939	2,322
(Gains)/losses on investments in associates	(124)	-
Increase/(decrease) in non-current employee entitlements	(16)	-
<i>Total non-cash items</i>	1,799	2,322
Add/(less) items classified as investing or financing activities		
(Gains)/losses on disposal of property, plant and equipment	(5)	-
Prior year reclassification of work in progress	-	-
Student hardship funds	-	-
<i>Total items classified as investing or financing activities</i>	(5)	-
Add/(less) movements in working capital items		
(Increase)/decrease in receivables	11,627	(976)
(Increase)/decrease in inventories	(4)	-
(Increase)/decrease in prepayments	347	-
Increase/(decrease) in payables	(2,198)	(1,820)
Increase/(decrease) in deferred revenue	406	886
Increase/(decrease) in current employee entitlements	702	(184)
Increase/(decrease) in provisions	(0)	-
<i>Net movement in working capital items</i>	10,881	(2,094)
Net cash flow from operating activities	(7,563)	(2,086)

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

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the 9 months ending 31 December 2020

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Northland Polytechnic Limited, trading as NorthTec is a Crown entity subsidiary that is domiciled and operates in New Zealand. NorthTec was established on 1 April 2020 and its immediate controlling entity is Te Pūkenga — New Zealand Institute of Skills and Technology, and the ultimate controlling entity is the New Zealand Crown. The relevant legislation governing NorthTec's operations includes the Education and Training Act 2020, the Crown Entities Act 2004, and the Companies Act 1993.

NorthTec provides educational and research services for the benefit of the community. It does not operate to make a financial return.

NorthTec has designated itself a public benefit entity (PBE) for financial reporting purposes and for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of NorthTec are for the nine months ended 31 December 2020. The financial statements were authorised for issue by the Board on 30 April 2021.

BASIS OF PREPARATION

The Education and Training Act 2020 (schedule 1, clause 21) states that all Te Pūkenga subsidiaries will continue in existence until 31 December 2022. Thereafter the rights, assets, and liabilities of NorthTec will be transferred to Te Pūkenga - New Zealand Institute of Skills and Technology (Te Pūkenga). There are mechanisms in the legislation to vary this date.

Despite these provisions, the financial statements have been prepared on a going concern basis, as the disestablishment is more than 12 months after the date the financial statements are issued, and because the operational delivery of the functions of NorthTec will continue through Te Pūkenga after 31 December 2022. Consequently, there have been no changes to the recognition and measurement, or presentation of information in these financial statements.

Reporting Period

These financial statements are for the nine month period 1 April 2020 to 31 December 2020. The budget is for the 9 month period 1 April 2020 to 31 December 2020. No comparative period is disclosed.

Statement of compliance

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

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values, other than the related party transaction disclosures in Note 17 are rounded to the nearest thousand dollars.

Standards issued and not yet effective and early adopted

PBE IPSAS 40 *PBE Combinations* was issued in July 2019 and is effective for annual financial statements covering periods beginning on or after 1 January 2021. NorthTec has early adopted PBE IPSAS 40 and applied the standard for the vesting of the predecessor ITP's assets and liabilities to the Institute on 1 April 2020.

Standards issued and not yet effective and not early adopted

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Institute does not intend to early adopt the amendment.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022. NorthTec has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

NorthTec has transitioned from PBE IFRS 9 Financial Instruments to PBE IPSAS 41 Financial Instruments, there have been no changes to classification, measurement or disclosure of financial instruments as a result of adopting PBE IPSAS 41.

Budget figures

The budget figures for NorthTec have been derived from the budget approved by the Northland Polytechnic's Council at the start of the 2020 financial year. Those budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements. The approved budget was for the full 2020 year but, to be consistent with the nine-month reporting period, the month-by-month budget from April to December 2020 has been used for the nine-month period for the statement of comprehensive revenue and expense and the statement of cash flows.

Vesting

As part of the reform of the delivery of vocational education in New Zealand, the Education (Vocational Education and Training Reform) Amendment Act 2020 converted Northland Polytechnic into Northland Polytechnic Limited on 1 April 2020. On this date, the rights, assets, and liabilities of Northland Polytechnic vested in Northland Polytechnic Limited for no consideration.

Northland Polytechnic Limited has applied PBE IPSAS 40 PBE Combinations to account for the vesting of the assets and liabilities. The carrying amount of assets, liabilities, and equity reserves included in Northland Polytechnic's final disestablishment report as at 31 March 2020 were carried forward to become the opening balances for the Northland Polytechnic Limited's statement of financial position at 1 April 2020. No adjustments were made to the amounts reported as at 31 March 2020. The opening 1 April 2020 balances are presented in the statement of financial position.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land, buildings and infrastructure – refer to Note 9

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the nine months ended 31 December 2020:

- Distinction between revenue and capital contributions – refer to Note 2
- Crown-owned land and buildings – refer to Note 9.

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into New Zealand dollars (the functional currency) using the spot exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax

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

Income tax

NorthTec is exempt from income tax. Accordingly, no provision has been made for income tax.

2. REVENUE

ACCOUNTING POLICY

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below.

Student Achievement Component (SAC) funding

Student Achievement Component (SAC) funding is the Institute's main source of operational funding from the Tertiary Education Commission (TEC). The Institute considers SAC funding to be non-exchange revenue and would normally recognise SAC funding as revenue when the course withdrawal date has passed, based on the number of eligible students enrolled in the course at that date and the value of the course. However, for the 2020 year, the predecessor ITP has recognised all the funding for 2020. This was because, in response to the Covid-19 pandemic, the TEC confirmed at the end of March 2020 that it will not seek repayment of 2020 investment plan funding, which includes SAC funding, if there is under-delivery in the 2020 year.

Student tuition fees

Domestic student tuition fees are subsidised by government funding and are considered non-exchange. Revenue is recognised when the course withdrawal date has passed, which is when a student is no longer entitled to a refund for withdrawing from the course.

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

Fees-Free

The Institute considers that fees-free revenue is non-exchange revenue and would normally recognise revenue when the course withdrawal date for an eligible student has passed. The Institute would present funding received as part of tuition fees. This is on the basis that receipts from the TEC are for payment on behalf of the student as specified in the relevant funding mechanism. However, for the 2020 year, the predecessor ITP has recognised all the 2020 fees-free funding because, in response to the Covid-19 pandemic, the TEC confirmed that it will not seek repayment of 2020 fees-free funding. As a consequence, the Institute has not recognised any fees-free funding during the nine-month period.

Performance-Based Research Fund (PBRF)

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

Other grants received

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

Donations, bequests and pledges

Donations and bequests are recognised as revenue when the right to receive the fund or asset has been established, unless there is an obligation in substance to return the funds if conditions of the donation or bequest are not met. If there is such an obligation, they are initially recorded as revenue in advance when received and recognised as revenue when the conditions are satisfied. Pledges are not recognised as assets or revenue until the pledged item is received.

Sales of goods

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

Interest and dividends

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Dividends are recognised when the right to receive payment has been established.

Rental Revenue

Rental revenue is recognised is recognised as the service is delivered.

2. REVENUE (CONTINUED)

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Distinction between revenue and capital contributions

Most Crown funding received is operational in nature and 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, NorthTec accounts for the funding as a capital contribution directly in equity.

Research revenue

NorthTec exercises its judgement in determining whether funding received under a research contract is an exchange or non-exchange transaction. In making its judgement, NorthTec considers factors such as:

- Whether the funder has substantive rights to the research output. This is a persuasive indicator of exchange or non-exchange.
- How the research funds were obtained - for example, whether through a commercial tender process for specified work or from applying to a general research funding pool.
- Nature of the funder.
- Specificity of the research brief or contract.

Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and for multi-year research contracts.

9 months ended
31 December 2020

\$000

i) Breakdown of Government Grants

Tertiary Education Commission

Student Achievement Component (SAC) Funding	165
Performance-Based Research Funding	0
Adult Community Education (ACE)	-
^ Total Tertiary Education Commission (TEC)	165

Other

^ Other grants	494
Quest Rapuara (STAR)	395
Industry Training Organisations (ITO)	302
Total Other	1,192
Total government grants	1,356

ii) Breakdown of Tuition Fees

Fees from domestic students	2,591
* TEC Fees Free for domestic students	-
Targeted Training and Apprenticeship Fund	701
Fees from international students	3,953
Total tuition fees	7,245

iii) Breakdown of Other Revenue

Compulsory Student Services Fee	137
Café revenue	181
Interest	105
Dividends	1
Rent received	440
Other revenue	420
Share of Associates	124
Total other revenue	1,408

2. REVENUE (CONTINUED)

Operating leases as lessor

NorthTec sub-leases a portion of the Raumanga Campus property to Te Wananga o Aotearoa under an operating lease arrangement. The initial lease had a term of 3 years with 3 rights of renewal each for 3 years. The sub-lease is currently in its 3rd right of renewal. Heritage New Zealand Pouhere Taonga sub-leases a portion of the Kerikeri campus. The lease commenced 20 August 2018, the lease has a term of 2 years with 1 right of renewal after the initial two years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	9 months ended 31 December 2020 \$000
Not later than one year	147
Later than one year but not later than five years	197
Later than five years	-
Total non-cancellable operating leases	343

3. PERSONNEL COSTS

ACCOUNTING POLICY

Superannuation schemes

Defined contribution schemes

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

	9 months ended 31 December 2020 \$000
Breakdown of personnel costs and further information	
Academic salaries	9,445
General salaries and wages	8,129
Redundancies	305
Employer contributions to defined contribution scheme	439
Total personnel costs	18,318

For the 9 months ended 31 December 2020, NorthTec made 17 redundancy payments to employees totalling \$305,121

Employee Remuneration	Actual 2020 Number
Total remuneration paid or payable that is or exceeds \$100,000:	
\$100,000 - \$109,999	3
\$110,000 - \$119,999	2
\$120,000 - \$129,999	2
\$130,000 - \$139,999	0
\$140,000 - \$149,999	0
\$150,000 - \$159,999	0
\$160,000 - \$169,999	1
Total Employees	8

3. PERSONNEL COSTS (CONTINUED)

		9 months ended 31 December 2020
Board member remuneration		\$000
Board member remuneration paid or payable during the year was:		
Erena Kara	Director	13
Ripeka Evans	Chair	25
Bronwyn Yates	Director	13
Matthew Keene	Director	13
Nicole Anderson	Director	13
John Brockies	Director	2
Murry Bain	Deputy Chair	16
Kim Ngarimu	Director	13
Total Board member's remuneration		106

No board members received compensation or other benefits in relation to cessation for the 9 months to 31 December 2020.

4. OTHER EXPENSES

ACCOUNTING POLICY

Scholarships

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

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

		9 months ended 31 December 2020
Breakdown of other expenses and further information		\$000
Fees to auditor		
Fees to Audit New Zealand for audit of financial statements		124
Operating lease payments		1,318
Repairs and maintenance		545
Other occupancy costs		387
Information technology		892
Advertising and public relations		724
Insurance premiums		143
Consultants and legal fees		137
Office costs		822
Travel and accommodation		97
Other course-related costs		4,067
Impairment of receivables		86
Board remuneration		106
Loss on disposal of property plant and equipment		-5
PD/training		254
Other operating expenses		291
Total other expenses		9,990

4. OTHER EXPENSES (CONTINUED)

Operating leases as lessee and sublessee

NorthTec leases property, plant and equipment in the normal course of business. The most significant leases have varying non-cancellable terms of at least 36 months and up to 10 years.

The long term lease on the Futures Trades Centre building is \$641,063 per year with 2 years 7 months left on the current renewal period. Renewal options are available with 2 periods of 5 years each. The remaining renewal dates are 1 August in years 2023 and 2028. Rent is to be reviewed to market in 2028, and on the basis of the movement of the annual Consumer Price Index over the previous 5 years plus 1% per annum in 2023. NorthTec is planning to implement the 2023 option when it becomes available due to the projected growth in trade programme delivery and cost of relocating the infrastructure within the next renewal period. The value of the 2023 option for Dyer St is valued in the commitments as \$3,311,487 (later than one year but not later than five years \$1,572,924; later than five years \$1,738,563).

NorthTec leases residential apartments located at Central Avenue in Whangārei to provide international student accommodation. The initial lease term is for 10 years with rent review and one right of renewal at 10 years.

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	9 months ended 31 December 2020
Lease	\$000
Not later than one year	1,368
Later than one year but not later than five years	4,235
Later than five years	2,022
Total non-cancellable operating leases	7,625
Sublease	
Not later than one year	-
Later than one year but not later than five years	-
Later than five years	-
Total non-cancellable operating sublease	-

Contingent Rent

NorthTec has a month by month lease contract with Fuji Xerox New Zealand Limited for its printing devices. The pricing structure is based on set contract rates for devices charged on monthly print volumes as per the May 2018 expired contract.

5. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. While cash and cash equivalents at 31 December 2020 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

	9 months ended 31 December 2020
Breakdown of cash and cash equivalents and further information	\$000
Cash at bank and on hand	70
Call deposits	2,321
Term deposits with maturities less than three months at acquisition	-
Total cash and cash equivalents	2,391

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

6. RECEIVABLES

ACCOUNTING POLICY

Short-term receivables are recorded at the amount due, less an allowance for credit losses. NorthTec applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

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

Short-term receivables are written off when there is no reasonable expectation of recovery.

	9 months ended 31 December 2020
Breakdown of receivables and further information	\$000
Student fee receivables	
Student fee receivables	3,573
Less: provision for impairment	(161)
Net student fee receivables	3,413
Other receivables	
Trade Receivables	218
Less: Provision for impairment	-
Net other receivables	218
Total receivables	3,630

6. RECEIVABLES (CONTINUED)

Assessment for uncollectability

For Student Receivables, allowance for credit losses are expected only for Domestic Students. International Students and TEC Fees Free receivables have no allowance for credit loss on the basis that the monies are received in advance for these receivables and therefore the risk of credit losses is considered minimal.

The allowance for credit losses at 31 December 2020 was determined as follows:

31 December 2020	Current	1 to 30 days	31 to 60 days	61 to 90 days	90 to 120 days	More than 120 days	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Expected credit loss rate (on Domestic Students only)	0%	0%	0%	0%	20%	70%	
Gross carrying amount (\$000) International Students and TEC Fees Free	1,132	319	217	30	11	148	1,856
Gross carrying amount (\$000) Domestic Students	1,382	34	22	13	52	215	1,718
Lifetime expected credit loss (\$000) (Domestic Students)	-	-	-	-	10	150	161

For Trade Receivables, the allowance for credit losses at 31 December 2020 was determined as follows:

31 December 2020	Current	1 to 30 days	31 to 60 days	61 to 90 days	90 to 120 days	More than 120 days	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Expected credit loss rate	0%	0%	0%	0%	0%	^ 50%	
Gross carrying amount (\$000)	120	69	-	26	-	2	218
Lifetime expected credit loss (\$000)	-	-	-	-	-	1	-

^ Specifically, credit loss rates for Trade Receivables are:

50% for Current Year Debt over 120 Days

100% for any Prior Year Debt

The expected credit loss rate for receivables at 31 December 2020 is based on the payment profile of revenue on credit over 2 years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant. There have been no changes during the reporting in the estimation techniques or significant assumptions used in measuring the loss allowance.

NorthTec holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

7. OTHER FINANCIAL ASSETS

ACCOUNTING POLICY

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 NorthTec 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 NorthTec has transferred substantially all the risks and rewards of ownership.

Term deposits

Term deposits are initially measured at the amount invested. Where applicable, interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial. NorthTec considers there has not been a significant increase in credit risk for investments in term deposits because the issuer of the investment continues to have a low credit risk at balance date. Term deposits are held with banks that have a long-term AA-investment external grade credit rating and the New Zealand Government has a credit rating of AA+, which indicates that these entities have a very strong capacity to meet their financial commitments.

Breakdown of other financial assets and further information

9 months ended
31 December 2020
\$000

Current portion

Term deposits with maturities greater than 3 months and remaining duration less than 12 months	3,000
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<i>Total current portion</i>	3,000
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Non-current portion

Term deposits maturities with remaining duration greater than 12 months	-
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<i>Total non-current portion</i>	-
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Total other financial assets	3,000
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Fair value

Term deposits

The fair value of current term deposits is deemed to be the carrying value.

Impairment

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

8. INVENTORIES

ACCOUNTING POLICY

Inventories are held for distribution or for use in the provision of services. Inventories that are not supplied on a commercial basis are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

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

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the year of the write-down.

	9 months ended 31 December 2020 \$000
Breakdown of inventories and further information	
Inventories held for distribution	
Materials and consumables	18
Commercial inventories	
Student café	1
Total inventories	19

No inventories are pledged as security for liabilities. However, some inventories are subject to retention of title clauses.

Inventories held for distribution

There have been no write downs of inventories held for distribution during the 9 months ended 31 December 2020 and there have been no reversals of write-downs.



9. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Property, plant, and equipment consist of the following asset classes: land, buildings, leasehold improvements, computer hardware, furniture and fittings, electronic equipment, office equipment, plant & equipment, motor vehicles, library collection, and art collections.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

Revaluations

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

The carrying values of revalued assets 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.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense 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 deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

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

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

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

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 disposal proceeds with the carrying amount of the asset.

Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in property revaluation reserves in respect of those assets are transferred to general funds within equity.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses are recognised in the surplus or deficit, if any. Increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale.

Depreciation

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

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Buildings	1% to 5%
Leasehold improvements	Life of lease
Furniture and fittings	10%
Electronic equipment	25%
Computer hardware	20%
Office equipment	20%
Motor vehicles	25%
Library collection	10%
Art collection	Nil
Plant and tools	10%

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

Impairment of property, plant and equipment

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

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

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

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimating the fair value of land, buildings and infrastructure

The most recent valuations of land and buildings were performed by independent registered valuers, M Richards B Prop ANZIV MPINZ and B Sworn B Prop MPINZ of Telfer Young Ltd. The valuation is effective as at 31 December 2019, the next formal valuation is scheduled as at 31 December 2022, however may be brought forward through consultation with Te Pūkenga sector wide approach.

Land

Land is valued at fair value using market based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the “unencumbered” land value for campus land where there is a designation against the land, or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

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

Buildings

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

Depreciation replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- 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.
- Estimating the remaining useful life of assets.
- Straight-line depreciation has been applied in determining the depreciated cost value of the asset.
- Non-specialised buildings (e.g. residential buildings) are valued at fair value using market based evidence. Market rents and capitalisation rates were applied to reflect market value.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Crown-owned land and buildings

Property in the legal name of the Crown that is occupied by NorthTec is recognised as an asset in the statement of financial position. NorthTec considers that it has assumed all the normal risks and rewards of ownership of this property despite legal ownership not being transferred and accordingly it would be misleading to exclude these assets from the financial statements. NorthTec has secured the use of the property by means of a lease from the Ministry of Education for 35 years from October 2010 at \$10 rent per annum.

The legal ownership of land and buildings is detailed as follows:

	Land	Buildings
	Full year ended 31 December 2020	Full year ended 31 December 2020
	\$000	\$000
NorthTec owned	2,598	21,853
Crown owned	1,592	13,394
Total	4,190	35,246

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Breakdown of property, plant and equipment and further information

Movements for each class of property, plant and equipment are as follows:

2020	Cost / Revaluation					Accumulated Depreciation				Net Book Value		
	Balance at 1 April 2020	Additions/ reclassifi- cations	Revaluation increment/ (decrement)	Disposals/ Transfers to assets held for sale	Balance at 31 Dec 2020	Balance at 1 April 2020	Depreciation	Disposal/ elimination on revaluation	Accumulated Depreciation on reclassifi- cations	Balance at 31 Dec 2020	Balance at 1 April 2020	Balance at 31 Dec 2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	4,190				4,190	0				0	4,190	4,190
Buildings	35,816	536			36,352	344	761			1,106	35,472	35,246
Leasehold improvements	5,100	1			5,101	2,303	371			2,673	2,797	2,428
Computers	5,469	503		(8)	5,963	4,791	252	(8)		5,035	678	928
Computers (Leased)	618				618	618				618		
Electronic equipment	1,540				1,540	1,501	23			1,525	38	15
Electronic equipment (Leased)	27				27	13				13	14	14
Furniture and fittings	2,212	68			2,280	1,784	77			1,860	428	419
Library collection	1,369	41			1,410	929	76			1,004	440	406
Art collection	500				500	0				0	500	500
Motor vehicles	1,096	32		(2)	1,126	930	84	(2)		1,013	166	114
Office equipment	272				272	262	4			266	9	5
Plant and equipment	5,308	223		(8)	5,523	3,765	221	(7)		3,979	1,543	1,545
Work in progress	439	1,254		(1,406)	287	0				0	439	287
Total plant and equipment	63,956	2,657		(1,424)	65,189	17,241	1,869	(17)		19,093	46,715	46,096

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Restriction on title

Under the Education & Training Act 2020, NorthTec is required to notify Te Pūkenga, who then obtains consent from the Secretary of Education, to dispose of land and buildings.

Detailed information on the asset disposal rules can be found on the Tertiary Education Commission website.

Leasing

The net carrying amount of computers and electronic equipment (included within computer hardware) held under finance leases for the year ended 31 December 2020 is nil.

Work in progress

The total amount of property, plant & equipment, and intangible assets in the course of construction for the year ended 31 December 2020 is \$286,505.54. Work in progress by asset class is as follows;

	9 months ended 31 December 2020 \$000
Building Fit Out	77
Building structures	14
Computers	49
Electronic Equipment	25
Furniture and fittings	0
Intangibles	66
Library	2
Plant and equipment	54
Total work in progress	287

Capital commitments

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

The amount of contractual commitments for the acquisition of property, plant and equipment is:

	9 months ended 31 December 2020 \$000
Building structures	151
Computer hardware	160
Plant and equipment	0
Electronic equipment	0
Furniture and fittings	0
Total	311

10. INTANGIBLE ASSETS

ACCOUNTING POLICY

Software acquisition and development

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

Course-related software and websites

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

Courses purchased from other organisations

Separately acquired courses and programmes (including trademarks and licences) acquired from outside of the Te Pūkenga group are initially recognised at historical cost. They have a finite useful life and, subsequent to initial recognition, should be carried at cost less accumulated amortisation and impairment losses. They are amortised over a period not exceeding 5 years.

Internally developed courses

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

- (a) The course material is identifiable and the use and redistribution of course material is controlled by the group through legal or other means.
- (b) It is probable that the courses will generate future economic benefits attributable to the course and the cost can be reliably measured. This is the case when:
 - (i) it is technically feasible to complete the development so that the course or programme will be available for use and/or sale;
 - (ii) management intends to complete the development of the course or programme and use or sell it;
 - (iii) there is an ability to use or sell the course or programme;
 - (iv) it can be demonstrated how the course or programme will generate probable future economic benefits;
 - (v) there are adequate technical, financial and other resources available to complete development of the course or programme and to use or sell the course or programme; and
 - (vi) the expenditure attributable to the course or programme development can be reliably measured.

Intellectual property development

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

- It is technically feasible to complete the product so that it will be available for use or sale.
- Management intends to complete the product and use or sell it.
- There is an ability to use or sell the product.
- It can be demonstrated how the product will generate probable future economic benefits.
- Adequate technical, financial, and other resources to complete the development and to use or sell the product are available.
- The expenditure attributable to the product during its development can be reliably measured.

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

10. INTANGIBLE ASSETS (CONTINUED)

Amortisation

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

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

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

Computer software	3 - 5 years	20% to 33.3%
Course development costs	5 years	20%
Teaching licences	3 - 5 years	20% to 33.3%

Capitalised intellectual property development costs are still work in progress. The useful life of completed projects will be established at project completion.

Impairment of intangible assets

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

For further details refer to the policy for impairment of property, plant and equipment in Note 9. The same approach applies to the impairment of intangible assets.

Breakdown of intangible assets and further information

Movement for each class of intangible asset is as follows:

	Software \$000	Course development costs \$000	Teaching licences \$000	Work in progress \$000	Total \$000
<i>Balance at 1 April 2020</i>					
Cost	1,284	1,515	151	0	2,950
Accumulated amortisation	1,248	1,309	150	0	2,707
Accumulated impairment	0	0	0	0	0
Opening carrying amount	36	206	1	0	243
<i>9 months ended 31 December 2020</i>					
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Amortisation	(14)	(55)	(1)	0	(70)
Closing carrying amount	22	150	0	0	173
<i>Balance at 31 December 2020</i>					
Cost	1,284	1,515	151	0	2,950
Accumulated amortisation	1,262	1,365	151	0	2,777
Accumulated impairment	0	0	0	0	0
Closing carrying amount	22	150	0	0	173

There are no restrictions over the title of NorthTec's intangible assets. No intangible assets are pledged as security for liabilities.

There were no contractual commitments for the acquisition of intangible assets for the Institute.

11. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

ACCOUNTING POLICY

Associate

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

TANZ eCampus Ltd is jointly owned by six New Zealand Polytechnics, one of which is NorthTec. TANZ eCampus was set up to develop and run an on-line e-learning platform and offers a variety of programmes that are delivered 100% on-line. The investment in TANZ eCampus Ltd has been equity accounted for the period 31 December 2020, for NorthTec's 1/6th share.

The Institute, along with five other Polytechnics have equal shareholding in the company. This investment has been determined to be an investment in an associate because of the Institute's membership on the Board of TANZ eCampus Limited, and the ability to participate in the financial and operating policy decision of TANZ eCampus Limited.

Joint Venture

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

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

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

Investments in other entities

Shares

Unlisted shares are held in non-commercial entities and are carried at cost because:

- fair value cannot be reliably determined using a standardised valuation technique; or
- the cost is not materially different to fair value.
- there is currently no intention to dispose of these investments.

Breakdown of investments and further information

9 months ended
31 December 2020

Institute	\$000
Investment in TANZ eCampus Limited	1,227
<i>Summarised financial information of associate presented on a gross basis</i>	
Assets	8,298
Liabilities	(953)
Revenues	7,465
Surplus/(Deficit)	741
Institute's interest	16.67%

NorthTec holds a 14% share in Tertiary Accord of New Zealand Limited and a 16.67% share in TANZ eCampus Limited. 1,134,103 ordinary shares in TANZ eCampus Limited issued to NorthTec, and fully paid as at 31 December 2020 at \$1.00 per share.

NorthTec has a 25% share (\$0 carrying amount) in Motortrain (which is not trading) as at 31 December 2020. Motortrain is jointly an Associate of the Wellington Institute of Technology, Waikato Institute of Technology, NorthTec and Southern Institute of Technology. \$225 was incurred for the 9 months ended 31 December 2020.

12. PAYABLES

ACCOUNTING POLICY

Short-term creditors and other short-term payables are recorded at the amount payable.

	9 months ended 31 December 2020
Breakdown of payables and further information	\$000
Payables under exchange transactions	
Creditors	632
Accrued expenses	919
Total payables under exchange transactions	1,551
Payables under non-exchange transactions	
Taxes payable (e.g. GST, FBT and rates)	617
Total payable	2,168

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

13. DEFERRED REVENUE

	9 months ended 31 December 2020
Breakdown of deferred revenue and further information	\$000
Tuition fees	5,619
Research funding	57
Other revenue received in advance	15
Total deferred revenue	5,692

Further information about deferred revenue items

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

14. EMPLOYEE ENTITLEMENTS

ACCOUNTING POLICY

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee renders the related service 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 to, but not yet taken, at balance date, and sick leave.

A liability for sick leave is recognised to the extent that 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 it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee renders the related service, such as long service leave, have been calculated based on:

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

Presentation of employee entitlements

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

	9 months ended 31 December 2020
Breakdown of employee entitlements	\$000
Current portion	
Accrued pay	751
Long service leave	-
Annual leave	952
Total current portion	1,704
Non-current portion	
Long service leave	-
Total non-current portion	-
Total employee entitlements	1,704

15. EQUITY

ACCOUNTING POLICY

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

- General funds
- Property revaluation reserves
- Restricted reserves.

Property revaluation reserves

These reserves relate to the revaluation of land and buildings to fair value.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by NorthTec. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

	9 months ended 31 December 2020 \$000
General funds	
Balance at 1 April 2020	34,892
Transfer from revaluation reserve	
Adj for change in accounting policy	
Surplus/(deficit) for the year	(20,238)
Balance 31 December	14,654
Property revaluation reserves	
Balance at 1 April 2020	31,372
Land net revaluation gains	
Buildings net revaluation gains	
Building transfer to general funds	
Balance at 31 December	31,372
<i>Property revaluation reserves consist of:</i>	
Land	4,369
Buildings	27,003
Plant and equipment	
Total property revaluation reserves	31,372
Restricted reserves	
Balance at 1 April 2020	81
Transfer from surplus	(8)
Application of reserve funds	
Balance at 31 December	73
Total equity	46,099

Capital management

NorthTec's capital is its equity, which comprises general funds and reserves. Equity is represented by net assets.

NorthTec is subject to the financial management and accountability provisions of the Education and Training Act 2020, 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 borrowing.

NorthTec 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. NorthTec's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

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

Share Capital

On 1 April 2020, the institute issued 100 shares to Te Pūkenga in accordance with clause 20(1)(C) of schedule 1 of the Education and Training act 2020. Each share carries one vote and an equal share in dividends and distribution of the institutes surplus assets.

16. 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 probably that an outflow of future economic benefits or service potential 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 expenditure 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.

Breakdown of provisions	9 months ended 31 December 2020 \$000
Current portion	
General provision	1,109
Total provisions	1,109

The general provision relates to invoices issued by a supplier against which NorthTec considers a contingent liability exists as disclosed under note 21. The provision continues to be valued at the carrying amount of the invoices as this matter remains unresolved as at balance date.

17. RELATED PARTY TRANSACTIONS

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

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

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

Related party transactions required to be disclosed

TANZ eCampus Limited, in conjunction with the Tertiary Accord of New Zealand (TANZ), have been developing an eCampus platform, associated infrastructure and programmes. From January 2015 to February 2017 NorthTec held their share of the associated intangible assets until sale and purchase agreements transferred NorthTec's share of the assets to TANZ eCampus Limited in exchange for shares. This was completed on 22 December 2017.

NorthTec also enters into other transactions with the Company in the normal course of business, this includes shareholders levies, and purchase of a range of services.

As at 31 December 2020 nil is held as a debtor in association with the transactions.

During the 9 month financial period to 31 December 2020 NorthTec had the following transactions with TANZ eCampus Limited:

	9 months ended 31 December 2020
Shareholder Levies	-
Purchase Services	1,710,571
Purchase intangible assets	-
Call on shares	-
Receivables at 31 December	-
Payables at 31 December	-
Total Related Party TANZ eCampus Ltd Transactions	1,710,571

Key management personnel compensation	9 months ended 31 December 2020
Board members	
Remuneration	\$106,003
Executive Management Team, including the Chief Executive	
Remuneration	\$762,722
Total key management personnel compensation	\$868,725

The full time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for members to prepare for meeting. Annualized for the current reporting period the full time equivalent was 7.2.

An analysis of Board member remuneration is provided in Note 3.

The full time equivalent for the Executive Management Team, include the Chief Executive, is 5.4.

18. EVENTS AFTER THE BALANCE DATE

There have been no events subsequent to balance date that materially impact on the results of NorthTec.

19. COVID-19

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. From this, the country was in lockdown at Alert Level 4 for the period 26 March to 27 April and remained in lockdown at Alert Level 3, thereafter, until 13 May.

During this period, NorthTec closed all delivery sites. Most staff moved to a 'work from home' model and teaching was changed to on-line delivery after 23 March.

After 13 May, NorthTec initiated a staged return to working on campus. From 18 May, remote working and online delivery continued, with a limited number of staff and students allowed to return to campus operating under required guidelines. For the remainder of semester two (till 26 June) NorthTec operated under a three-tier delivery model:

- Tier 1 - On campus: 100% face-to-face delivery for programmes where all theory is completed
- Tier 2 - On campus/remote: A combination of face-to-face and remote learning, as agreed by Pathway Managers, where face-to-face delivery is required for theory sessions and to complete a programme (practical/exams)
- Tier 3 - Remote learning: 100% remote delivery for programmes where this is possible.

After 9 June, NorthTec continued a progressive phased return to campus for staff. Delivery continued to operate under the three-tier model.

The main impacts on NorthTec's financial statements due to COVID-19 are explained below:

- Government Funding: The TEC has confirmed that 2020 funding for Investment Plans and Fees Free will continue. The TEC has informed ITPs that it will not recover 2020 funding because of either non-achievement of Education Performance Indicators or under-delivery during the 2020 year. This provides NorthTec with certainty that it can continue to deliver to students despite disruption caused by COVID-19.
- International student fees, including the potential loss of current and prospective students due to the disruption and/or pressures created by COVID-19. Online and blended delivery has been implemented and continues to be developed in order to mitigate impacts and further support students for the future. NorthTec International delivery consists of current onshore learners, continuing learners, and partnerships school delivery. International business has more than halved.
- There is implications for other income sources, for example reduced interest income from reduced term deposits. Lower tuition fees from international has reduced cash and cash equivalents and other financial assets (term deposits) by \$3.1 million further than budgeted, however is still \$5.4 million as at 31 December. Further to this, other liquidity options have now been made possible via our parent Te Pūkenga through potential funds reallocation across the sector and the parent \$150 million debt facility with Westpac. These provide further liquidity options for future cash flows and capital requirements if required over and above current cash and cash equivalents and other financial assets.
- Additional cost for moving teaching online, including additional server costs, and costs associated with supporting students to be able to study online. Further additional costs in areas such as security, health & safety equipment, and additional cleaning costs.
- Lower costs in class materials, electricity/gas/water, agents' commissions, overseas and domestic travel due to lockdown period and travel restrictions.
- Additional costs arising from repayments to students for residential accommodation including student accommodation costs and revenue.
- Land and buildings were last revalued as at 31 December 2019. While COVID-19 has created some valuation uncertainties in respect of land, the fair value assessment of NorthTec property showed an increase in land value that has followed general market trends.
- Impairment of other tangible and intangible assets: An impairment assessment has been completed for tangible and intangible assets. NorthTec has assessed and determined that these are not impaired as at 31 December 2020.

20. FINANCIAL INSTRUMENTS

20A Financial instruments categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	9 months ended 31 December 2020 \$000
Financial assets	
Financial Assets measured at amortised costs	
Cash and cash equivalents	2,391
Receivables	3,630
Other financial assets:	
Term deposits	3,000
Total Financial Assets at amortised costs	9,021
Financial liabilities	
Financial liabilities at amortised cost	
Payables	1,551
Total financial liabilities at amortised cost	1,551

20B Financial instruments risk

NorthTec's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. NorthTec has a series of policies to manage the risks associated with financial instruments. It is risk averse and seeks to minimise exposure from its treasury activities. These policies do not allow any transactions which are speculative in nature to be entered into.

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.

NorthTec purchases library items from overseas which exposes it to currency risk. NorthTec does not consider currency risk to be a significant risk due to the purchase amounts being immaterial.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest create exposure to fair value interest rate risk. NorthTec does not actively manage its exposure to fair value interest rate risk and does not consider it to be a significant risk due as NorthTec does not hold a diversified investment portfolio and has no borrowings.

Cash flow interest rate risk

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

Credit risk

Credit risk is the risk that a third party will default on its obligation to NorthTec, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which give rise to credit risk.

In the normal course of business, NorthTec is exposed to credit risk from cash and term deposits with banks, and receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

NorthTec invests funds only with registered banks that have a Standard and Poor's credit rating of AA- and further minimises its credit exposure by limiting the amounts placed with any one institution at any one time.

NorthTec holds no collateral or other credit enhancement for financial instruments that give rise to credit risk.

20. FINANCIAL INSTRUMENTS (CONTINUED)

20B Financial instruments risk (continued)

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 counter-party default rates:

	9 months ended 31 December 2020
Counter-parties with credit ratings	\$000
<i>Cash at bank and term deposits</i>	
AA	
AA-	5,391
Total cash at bank and term deposits	5,391
Counter-parties without credit ratings	
<i>Receivables</i>	
Existing counter-party with no default in the past	3,630
Total debtors and other receivables	3,630

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that NorthTec 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. NorthTec aims to maintain flexibility in funding by keeping committed credit lines available.

NorthTec manages liquidity risk by continuously monitoring forecast and actual cash flow requirements and matching the maturity profiles of financial assets and liabilities.

Contractual maturity analysis of financial liabilities, excluding derivatives

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

9 months ended 31 December 2020	Payables \$000	Total \$000
Carrying amount	1,551	1,551
Contractual cash flows	1,551	1,551
Less than 6 months	1,551	1,551
6 - 12 months	-	-
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	-	-

20B Financial instruments risk (continued)

Contractual maturity analysis of financial assets

The table below analyses financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

9 months ended 31 December 2020	Cash and cash equivalents	Receivables	Other Financial Assets (Term Deposits)	Total
	\$000	\$000	\$000	\$000
Carrying amount	2,391	3,630	3,000	9,021
Contractual cash flows	2,391	3,630	3,000	9,021
Less than 6 months	2,391	3,630	3,000	9,021
6 - 12 months		-	-	-
1 - 2 years		-	-	-
2 - 3 years		-	-	-
More than 3 years		-	-	-

21. CONTINGENT LIABILITY

NorthTec has a contingent liability in the form of a counterclaim against invoices issued by a supplier. This is unresolved as at balance date. NorthTec has no contingent assets.

22. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Statement of Comprehensive Revenue and Expenses

Government grants

Government grants were \$0.2 million above budget, driven by non-SAC government based funding such as STAR and Industry Training Organisations (ITO).

Tuition fees

Tuition fees were \$4.0 million below budget which is attributable to a shortfall in international fees of \$2.3 million largely due to international border closures, and domestic fees were \$2.0 million below Budget due to lower domestic EFTS.

Personnel costs

Personnel costs were \$0.3 million above budget due to payroll phased timing for April to December period.

Depreciation and Other expenses

Depreciation and Other expenses are \$0.4 million and \$0.1 million respectively below budget being partly due to budget phased timing for April to December period.

Surplus/(Deficit)

Deficit was \$3.4 million higher than the budgeted, primarily due to international and domestic tuition fees.

Statement of Financial Position

Cash and Cash Equivalents, and Other Financial Assets

Cash and Cash Equivalents and Other Financial Assets were \$3.1 million lower than budget which is reflective of funding the shortfall in international and domestic tuition fees.

Property, plant and equipment

Property, plant and equipment were \$4.1 million higher than budget as the budget was prepared based on pre-revaluation asset values. Land and buildings were revalued as at 31 December 2019 in accordance with NorthTec's three year revaluation policy.

Equity

Total Equity was \$1.2 million higher than budget due to General funds being \$3 million lower than budget, which was offset by the Property revaluation reserve being \$4.2 million higher than budget following the revaluation of land and buildings as at 31 December 2019 which was not budgeted for.

Statement of Cash Flows

Net cashflow from operating activities was lower than budget reflecting lower international and domestic tuition fees, which was offset by higher cashflow from investing activities verses budget reflecting the liquidation of term deposits in order to fund the shortfall in tuition fees.

COMPARISON OF ANNUAL REVENUE AND EXPENSE AND CASH FLOWS DISCLOSURE

On the 1st of April 2020 the existing Institute's of Technology and Polytechnics (ITP's) became Subsidiaries of the newly formed Te Pūkenga. The Annual reporting period for the ITP's was previously the calendar year and each ITP prepared a special financial report for the period ending 31 March 2020 covering the part of the 2020 financial year through to disestablishment on 31 March 2020.

The first reporting period for the new group, Te Pūkenga and its subsidiaries started on 1 April 2020 and concluded on 31 December 2020. As the new entity did not exist in the prior year there are no comparatives provided in the Audited Financial Statements.

Te Pūkenga GAAP compliant accounting policies govern the recognition of revenue and expenditure and with the transformation of the entities have resulted in the period to disestablishment seeing most annual revenue recognised while expenditure (and resulting cashflows) occurs in the following nine month period. With the intent of providing meaningful comparison of performance for NorthTec between 2020 and the prior financial year 2019 the following summaries have been provided. The first column provides a summary of Revenue and Expenditure and Cashflows from the Disestablishment Financial Reports. The second column from the first reporting period's audited financial statements, with the third column providing the total for the calendar year (irrespective of the structural changes of the entity's upon the formation of the new group). The fourth column provides an unaudited consolidation of the prior year's comparative Revenue, Expenditure and Cash flows.

Prior year financial statements can be accessed on the NorthTec website <https://www.northtec.ac.nz/about-us/annual-reports>

	ACTUAL 3 months 1 January 2020 - 31 March 2020 \$000	ACTUAL 9 months 1 April 2020 - 31 December 2020 \$000	TOTAL 12 months 2020	LAST YEAR 2019
Revenue				
Government grants	19,668	1,356	21,024	19,182
Tuition fees	4,672	7,245	11,917	15,002
Other revenue	442	1,284	1,727	2,157
Total revenue	24,782	9,886	34,668	36,340
Expenditure				
Personnel & employee benefit costs	5,552	18,318	23,870	24,168
Depreciation and amortisation expenses	658	1,939	2,597	2,813
Administration and other expenses	3,535	9,990	13,525	14,127
Total expenditure	9,745	30,247	39,992	41,108
Share of associate / joint venture	(47)	124	76	(58)
Surplus/(deficit)	14,990	(20,238)	(5,248)	(4,826)
Comparison of Cash Flows				
Net cash inflow from operating activities	2,446	(7,563)	(5,117)	198
Net cash outflow used in investing activities	(1,477)	5,816	4,339	(716)
Net cash flows from financing activities	0	0	0	0
Net (decrease)/increase in cash and cash equivalents	969	(1,747)	(777)	(517)
Cash and cash equivalents at beginning of the period	3,168	4,138	3,168	3,684
Cash and cash equivalents at end of period	4,138	2,391	2,391	3,168



2020 **EQUITY STATEMENT**

MANA TAURITE

Equity Statement

Equal Employment Opportunities

NorthTec strives to celebrate equity and diversity in our workforce through the creation of an inclusive workplace culture that celebrates our people's unique backgrounds, qualities and contributions, and in which all individuals are supported towards achieving their full potential. We recognise that members of equity groups are more likely than others to experience barriers to achieving their full potential. NorthTec will prioritise support for members of identified equity groups. NorthTec also recognises Māori as tangata whenua and is committed to upholding Te Tiriti o Waitangi. Māori individuals have a distinct status at NorthTec under the provisions of the Treaty.

NorthTec fosters an environment that is based on individual merit, where all employees can develop their full potential, irrespective of their background or characteristics. As an Equal Employment Opportunity (EEO) employer, NorthTec works to eliminate all barriers that cause or perpetuate inequality in employment through the promotion of equal employment opportunities in recruitment, employment, performance management, and training and promotion practices. NorthTec also works to eliminate barriers through the use of Board approved equal opportunity programmes such as the Tai Tokerau Regional Investment plan which aims to deliver the best educational outcomes whilst meeting the needs of Tai Tokerau region and its people.



STAFF MĀORI
21%



STAFF FEMALE
55%

Student Equity Statement

Ākonga (learners) speak with heart-felt gratitude about the exemplary manaakitanga provided by Te Ara Poutama - Student Support Services - Librarians, Academic Advisors, Nurses, Navigators - Student Advisors, Disabilities Co-ordinator, Chaplain and Management. This team of highly skilled and caring staff is ākonga-centred in their practice and support initiatives to promote success by:

- providing a comprehensive digital library
- supporting with class attendance
- supporting with assessments and assignments
- improving access to education by removing barriers
- supporting youth
- supporting ākonga with disabilities
- navigating ākonga through the NorthTec systems and processes
- by ensuring that our ākonga feel safe, supported, healthy and respected.

Library support provided in 2020 included excellent customer service, information literacy instruction, APA referencing assistance, Māori collection and general collections, inter-loans, research support to degree programmes, hardcopy books, growing access to e-books, eTV, online chat service, study spaces, a computer suite, printers/scanners/copiers, laptop loans, access to online electronic databases and comprehensive digital library. Library resources are also provided at the Future Trades Campus, Kensington-ASB Stadium and available to all ākonga enrolled at NorthTec via our online resources or distance library services.

Compulsory Student Service Fees

In 2020 NorthTec charged a compulsory student services fee of \$200 per Equivalent Full Time Student (domestic fee-paying students only - excluding online and Auckland based students). Accounting requirements for Compulsory Student Service Fees and Expenditure NorthTec accounts separately for the revenue and expenditure related to the compulsory student service fees.

Student Services Activities

	2020 Income	2020 % of Income	2020 Expenditure	2020 % of Expenditure
Advocacy	\$97,128	45%	\$104,787	45%
Careers, information, advice and guidance	\$0	0%	\$0	0%
Counselling services	\$24,610	11%	\$26,550	11%
Employment information	\$0	0%	\$0	0%
Financial support and advice	\$0	0%	\$0	0%
Health services	\$84,642	40%	\$91,316	40%
Media	\$1,349	1%	\$1,455	1%
Childcare services	\$0	0%	\$0	0%
Clubs and societies	\$0	0%	\$0	0%
Sports, recreation and cultural activities	\$6,474	3%	\$6,985	3%
Total Student Services Activities	\$214,203		\$231,093	

Key initiatives and services in 2020 included:

- Student Voice team of a Student Voice Coordinator and a Kaiawhina. Eight students committed to being a part of the transition team (student rep group), representing certificate to degree programmes and regional campuses.
- Hardship initiatives – Soup Kitchens, Pātaka kai, Thursday Wharekai Lunch.

Advocacy

Student Voice provide advocacy support for students by promoting student representation and training to share collaborative ideas and feedback on behalf of their classes/programmes while providing access for student voice at all levels of the organization where relevant. In addition, Student Voice promoted student leadership by providing resources and on-site training at events where possible post Covid-19 lockdown.

Counselling Services

All NorthTec students have access to Free Counselling services. Students can book an appointment via an online service (Vitae) or approach any member of Te Ara Poutama – Student Support Services, specifically the registered nurse who runs the on-site student Health Centre.

Health Services

The Student Health Centre, based at Raumanga campus, was staffed by one experienced Registered Nurse. The nurse offers a comprehensive range of professional and confidential health services for all students. Scheduled services are also provided at Dyer Street with phone and online support available for students at all six NorthTec campuses in Te Tai Tokerau. The partnership with the Family Planning Clinic to provide Sexual and Reproductive Health Outreach Service continued throughout 2020 and will continue into 2021.

Media

Student Voice uses a range of media to communicate and promote student centered events and important notifications such as social media, posters, radio, merchandise, word of mouth, and internal platforms for students.

Clubs and Societies

Student Voice delivered a number of carefully planned events post Covid-19 that focused on improving the student experience and raising morale. It was also an opportunity to engage students to give feedback on services, experiences and improving culture on campuses while encouraging whanaungatanga.

Due to the demographic and distance between where students in Te Tai Tokerau live and study, external groups are given the opportunity to promote their services during Orientation and events at all campuses held through the year.

Sports, Recreation and Cultural Activities

Student Voice supported cultural activities such as promoting local externally facilitated study wānanga, Māori academic support, waiata practice, kaimahi at the marae for events alongside students and Holi Celebrations. Scheduled activities are designed to engage and support students. These include Thursday Wharekai Lunch, End of Year Xmas Lunch for staff and students, Orientation Student BBQs at every campus.

REGISTER OF INTERESTS

(Board Members)

As at 1 April 2021

Ripeka Evans

Te Ohomai Polytechnic Institute Limited
Ngāpuhi Investment Fund Limited.
Courageous Conversation Aotearoa Foundation
Ripeka Evans, Māori Development Specialist
Momentum Consulting
Provincial Development Unit, MBIE
Te Papa Atawhai, Department of Conservation
Te Arawhiti, The Office for Māori Crown Relations
Pharmacy Council of NZ
Reserve Bank of New Zealand
FW & A Evans Whānau Trust
Wai 2260, Wai 381

Te Whare Wānanga o Awanuiārangi Council

Director, Deputy Chair
Director
Trustee
Sole Trader
All of Government Strategic Policy Consultant
Consultant
Consultant
Specialist Advisor
Consultant
Te Ao Māori Panel Member
Trustee
Claimant to Waitangi Tribunal for Mana Wāhine Tai Tokerau, Mana Wāhine – Māori Women's claim
Materoa Dodd (Partner) Council Member

Bronwyn Yates

Literacy Aotearoa
Māori Education Trust
NZQA Whakaruruhau
(Te Mātauranga Māori me te Whakangungu)
NZQA Whakaruruhau Matua
ACE Strategic Alliance
Literacy Alliance
ITF Māori and Pasifika Engagement Reference Group
Global Women

Tumuaki (CEO)
Chairperson
Chairperson
Member

Chairperson
Member
Member
Member

Murray Bain

TSB Bank
TAS (Health Sector Shared Services)
ESA Publications
ARA International of Canterbury Ltd
Southern Institute of Technology Ltd
Optimum Services (Accommodation-Kerikeri)
Oryx Technologies (Website Design)
Kerikeri Retirement Village

Director
Chair
Director
Director
Director
Director
Director
Trustee

Matthew Keene

ONEONESIX Trust
Mountains to Sea Conservation Trust
Creative Technology Northland Trust
Mahuta Digital Limited
Northland Inc
ATEED

Chair
Trustee
Trustee
Director
Consultant
Consultant

REGISTER OF INTERESTS (Board Members) (CONTINUED)

Erena Kara

Te Kotahitanga E Mahi Kaha Trust	Interim Chief Executive
Ngāpuhi Iwi Social Services	Director
KRT Kara Ltd	Director
KTR Kara Trust	Trustee
Community Research Centre	Trustee
405 Community Gym	Owner
Te Kura Kaupapa Māori o Kaikohekohe	Trustee

Nicole Anderson

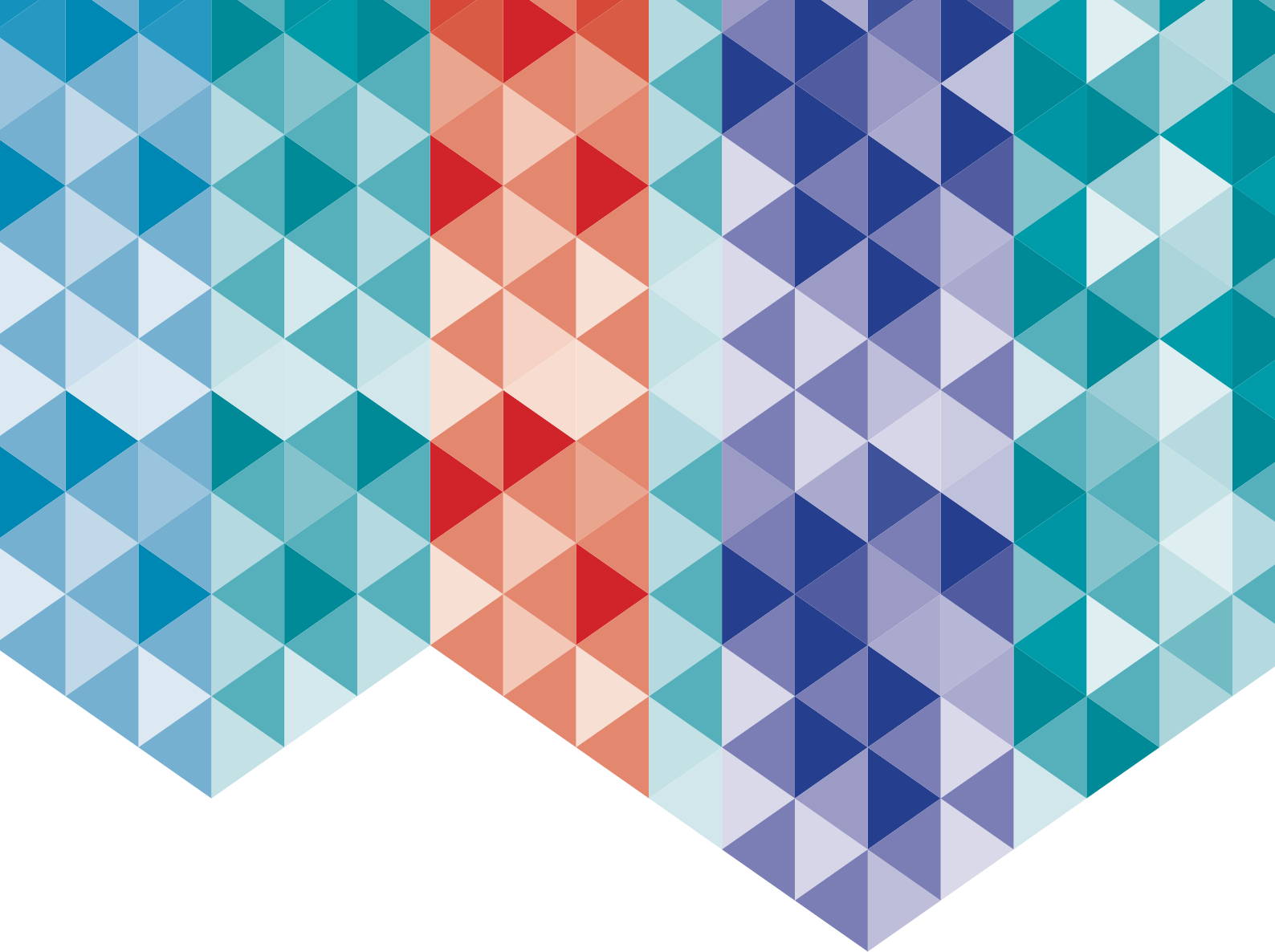
Ngāpuhi	Iwi
Te Hikutu, Ngāti Kairewa, Ngāti Kerewheti, Whānau Whero	Hapū
Pharmaceutical Management Agency (PHARMAC)	Director
PHARMAC Audit & Forecast Committee	Chair
Northland Inc Ltd (EDA)	Director
Northland Inc Audit & Risk Committee	Member
Manea Footprints of Kupe Ltd	Director-Chair
NZ Conservation Authority	Member
Te Rūnanga A Iwi O Ngāpuhi	Trustee
Fluid Chemicals Ltd	Director
Northland District Health Board	Member
Equity with Resources Committee (NDHB Finance Committee)	Chair
Northern Tyre Co Ltd	Director
Anderson Trading Co Ltd	Director
Mātai Aranui Marae	Trustee
Te Au Mārie 1769 Sester-Centennial Trust (Tuia 250)	Trustee
Accreditation Council	Member

Kim Ngarimu

NZIST	Deputy Chair
EIT Ltd	Director
Hauora Tairāwhiti DHB	Chair
Medical Council of New Zealand	Council Member
Heritage New Zealand	Board Member
Māori Heritage Council	Council Member
Waitangi Tribunal	Member
Te Mangai Paho	Board Member

John Brockies

Branz Inc, Branz Ltd, Branz PTY	Independent Director
Resolve Group Ltd	Independent Director
Te Pūkenga	Council Member
Waiari PAB (Tauranga City)	Independent Chair
Te Maunga PAB (Tauranga City)	Independent Chair
Natomi Trust	Trustee



Professional Services

Bankers

Bank of New Zealand
Cnr. Bank Street and Rust Avenue
PO Box 644
Whangārei
Telephone 09 438 4199

Solicitors

Thomson Wilson
Rathbone Street
PO Box 1042
Whangārei
Telephone 09 438 4039

Statutory Auditors

Audit New Zealand
Mana Arotake Aotearoa
Level 6
280 Queen Street
Private Box 1165
Auckland 1140
Telephone 09 373 5457



North Tec
TAI TOKERAU WĀNANGA

