



Unitec
Institute of Technology
TE WHARE WĀNANGA O WAIRAKA

Pūrongo Takiwā 31 Hakihea 2020
**Report for the Period
Ended 31 December 2020**

Our Purpose Te Aronga

**Led by Te Noho Kotahitanga
we manaaki the success of our
ākonga (learners) and communities**

Ko ngā tikanga o Te Noho Kotahitanga
e ārahi ana i te manaakitanga o
ngā ākonga me ngā hapori

Our Vision Te Whāinga

**Sustaining growth and success,
fulfilling promise and potential**

Ko te whāngai i te whakawhanaketanga
me te eke panuku o ngā ākonga

Manaakitia te Rito

Manaakitia te Rito, our three-year Renewal Strategy
which launched in 2019, puts ākonga and communities
at the heart of what we do.

The foundation of our Renewal Strategy is our
commitment to Te Noho Kotahitanga, the partnership
and principles which express our commitment to Te Tiriti
o Waitangi and underpins the values and kaupapa of our
organisation.

By focusing on our strategic priorities, we are striving
to improve the success of all our ākonga and serve the
educational needs of our communities; provide high-
quality learning, teaching and applied research to develop
work-ready life-long ākonga; engage and inspire staff
who are proud to work at Unitec; and build a financially
sustainable organisation to invest in the future.

He waka eke noa - we are all on the same waka
contributing to the success of our ākonga and our
organisation.

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Report from the Board Chair and Chief Executive

2020 was not just another year of significant change for Unitec, but also one of considerable success. We have many achievements to celebrate from the second year of the successful implementation of the Manaakitia te Rito Renewal Strategy.

COVID-19 Pandemic

The first three months of 2020 were marked by the onset of the global COVID-19 pandemic; an unprecedented event that caused widespread disruption across all economies and sectors. Our Incident Management Team was mobilised at the end of January, taking full ownership of our COVID-19 response and implementing business continuity plans to enable the organisation to move all courses online within just a few days. The turnaround over four days to get more than 850 courses online and all staff working remotely was commendable, and an exemplary display of Te Noho Kotahitanga in action.

On 1 April 2020, under the Education (Vocational Education and Training and Reform) Amendment Act, the New Zealand Institute of Skills and Technology (NZIST) – later renamed Te Pūkenga – was established and became the parent company of all existing Institutes of Technology and Polytechnics. Consequently, Unitec Institute of Technology was disestablished on 1 April 2020, and its assets and liabilities were transferred to a new crown entity company, Unitec New Zealand Limited (Unitec).

On 1 April 2020, the Council of Te Pūkenga appointed a joint board of directors to govern both Unitec and the Manukau Institute of Technology Limited (MIT). Their stated objective in appointing a joint board of directors was to bring the two institutions closer together in order to better provide a seamless approach to serving the learners, whānau and employers of Tāmaki Makaurau. The directors appointed are Peter Winder (Chair),

Monique Cairns, Robert Reid, Peter Parussini, Ziena Jalil, Fale Andrew Lesa, and Steven Renata (Ngāpuhi).

In August 2020, our former interim chief executive, Merran Davis, was appointed to the role of Deputy Chief Executive, Transformation and Transition with Te Pūkenga. The legacy that Merran created at Unitec is indelible – not only did she leave it in a far stronger financial position than when she first took up her role as Interim Chief Executive, but her passion for people, commitment to partnership and Te Noho Kotahitanga-led style of leadership, resulted in strengthened staff morale and an environment where many said they were proud to work.

The Unitec Board appointed Gus Gilmore, the Chief Executive of MIT, as the new joint Chief Executive of Unitec and MIT, effective 31 August 2020. The Board's objective of a shared governance structure enables a whole of Auckland approach, while at the same time respecting their distinctive strengths and diversities. We believe that both institutes will be better equipped for the many growth and partnership opportunities that we have identified.

Success

Levels of staff and ākonga engagement at an all-time high

Despite being measured immediately following the two lockdown periods, our two key indicators of staff and ākonga engagement, the Staff Pulse Survey and the Student Net Promoter Score (NPS), returned an improvement in results, with the second half-year results the highest on record. Both sets of results demonstrated Mahi Kotahitanga and better outcomes for our staff and ākonga, despite the challenging and ongoing nature of the COVID-19 situation.

While these levels of engagement are encouraging, we know the executive restructure which got underway in November 2020 to introduce a combined MIT/Unitec management structure was a challenging time for our staff and communities. At both a leadership and governance level, we have acknowledged we did not consult as extensively as we should have with these important stakeholders. We have learnt from this and are committed to supporting a consultative environment that continues to drive high levels of engagement from staff and ākonga alike.

Our objective in moving to a combined MIT/Unitec management structure was to provide the best opportunities for the success of our ākonga across all Tāmaki Makaurau as we transition to the new Te Pūkenga model.

A shift to Category Two in the External Evaluation and Review (EER)

Preparation for our External Evaluation and Review (EER) dominated a large part of the second half of the year, resulting in a strong Category Two result for Unitec. A particular highlight for us was the Excellent ratings Unitec received for its leadership, reflection and continuous improvement of educational quality, as well as its support of ākonga and how it involved them in their education. The review team referenced this in their report summary, saying, "Unitec has consolidated its focus on quality academic delivery throughout the organisation. Improved quality management processes and management strategies, which emphasise 'learners at the heart', are leading to positive learning experiences for its students and graduates."

In addition, our School of Social Practice earned an Excellent rating for educational outcomes at Certificate, Bachelors and Masters levels. This was a significant change from the last EER which had identified key areas for improvement.

We're proud and honoured that the dedication, commitment and expertise of our staff was recognised nationally by Ako Aotearoa. Yo Heta-Lensen (Ngāpuhi, Ngāti Hine), a Senior Lecturer in the School of Community Studies, was one of five award winners in the Kaupapa Māori category of the national Tertiary Teaching Excellence Awards 2020. This represents the greatest number of Kaupapa Māori teachers to be recognised in any one year since the category was introduced ten years ago, and is the first win for Unitec in this category.

Ongoing improvement in financial performance

The financial results reported in the Financial Statements section cover only the first nine months of operation of Unitec New Zealand Limited, from 1 April 2020 to 31 December 2020. As the start date occurred after the commencement of the academic year, a significant portion of revenue for the full 2020 calendar year was recognised in the final financial statements of the Unitec Institute of Technology for the period ended 31 March 2020. Therefore, the results for the nine months ended 31 December 2020 show expenditure levels for which there is no off-setting revenue.

A summary of the full calendar year results is provided in the Financial Sustainability Section. These results show that despite the impact of COVID-19 on international ākonga enrolments and revenue, as well as the continuing focus on reducing costs, Unitec was able to maintain its operating surplus of \$2.4 million for the 12 months ended 31 December 2019, \$2.4 million also being the operating surplus for the 12 months ended 31 December 2020. The net deficit has improved with a reduction from \$11.5 million for the 12 months ended 31 December 2019 to \$8.9 million for the 12 months ended 31 December 2020.

We are confident that with the right strategies in place, we will be well on our way to making repayments against our Crown loan in 2021 and ensuring the Institute continues to improve its financial sustainability.

Reflection and Anticipation

Our profound and heartfelt thanks to all our staff, the Rūnanga and Fono for their unrelenting commitment to the success of our ākonga at this challenging and unprecedented time. This strength has enabled us to be in a strong position to both meet and overcome any further challenges we may face in the coming year.

2021 provides us with many opportunities to work on the development of the Unitec and MIT Tāmaki Makaurau Strategy to help drive changes that will deliver better outcomes for all our ākonga and improve equity of achievement for our Māori and Pasifika ākonga.

Ha waka eke noa.



Peter Winder, Board Chair



Gus Gilmore, Chief Executive

Peter Winder
Board Chair


Gus Gilmore
Chief Executive

 **2,000**
Nearly **2,000** staff welfare calls made during lockdown checks

665 **665** staff completed Te Noho Kotahitanga badge

1st win for Unitec in the Kaupapa Māori category of the **National Tertiary Teaching Excellence Awards** - Yo Heta-Lensen one of five winners

CATEGORY **2** **Category 2 rating** for EER 2020, up from Category 3 

50+  **INDUSTRY EXHIBITORS**


6 virtual careers fairs held over **3** days where **900** booth attendees met more than **50** industry exhibitors

8.1/10 Average in Student Course Survey results - the highest since surveys began in 2018

4 **DAYS**
4 days to move all our courses online from announcement of first lockdown

^200% **200%** increase in submissions for Research Symposium

+23
Student NPS rating of **+23**, up from -3 in 2018

84% 
84% Staff Engagement - a 5 percentage point increase from 2019
ENGAGEMENT

5,000 **CALLS**

5,000 calls made as part of Learner Outreach Project, reaching **87%** of students during lockdown

^60%
60% rise in number of submissions for Staff Excellence Awards

54 
54 care packages delivered to domestic and international students during lockdown

 **12,660** **12,660** Zoom calls made during the first lockdown March-May

72%
72% first-year retention rate for U25 students, up from 67% in 2019

22 **SCHOOLS** 
UPC delivered Vocational Pathway and Trades Academy courses to 22 schools and Kura Kaupapa Māori



Te Noho Kotahitanga in action
 Te Whakatinanatanga o Te
 Noho Kotahitanga

A large part of the second half of 2020 was dominated by preparation for our External Evaluation and Review (EER). Internal Evaluation Reviews were held in the middle of the year, followed by debriefs, institutional self-evaluation, programme evaluation and planning, and culminating in the EER panel visit in October.

The work to bring about the shift in Category ratings from 3 to 2 took place over two years. The timeline overleaf shows the extent of the mahi and the milestones achieved on that journey. Our Category 2 rating was the result of an institution-wide effort by our 'team of 1400' to raise academic quality and embed ākonga-centred systems and outcomes that align with Manaakitia te Rito. These are now well-embedded in our everyday mahi.

A top rating of 'Excellent' was awarded in the four categories below, with the EER evaluators making the following comments:

Effectiveness of support for ākonga and ākonga involvement in learning



"Students are fully engaged in their learning and are experiencing a supportive and caring learning environment. This was especially evident during the COVID-19 lockdown periods through a well-organised whole-of-organisation response."

Value of outcomes for key stakeholders including ākonga



"Unitec is an educational organisation with clear values and purpose, and sound leadership. The organisation has effective systems for resourcing and monitoring performance and provides strong support to staff to improve educational outcomes."

Effectiveness of governance and management in supporting educational achievement



"Unitec has consolidated its focus on quality academic delivery throughout the organisation. Improved quality management processes and management strategies, which emphasise 'learners at the heart', are leading to positive learning experiences for its students and graduates."

Social Practice programmes



"Successful course completion rates in both the NZ Certificate in Health and Wellbeing and Bachelor of Social Practice have improved in the last two years. The successful course completion in both programmes has been consistently around 87 per cent. Both programmes have closed the parity gap... Programmes are highly student-centred... Social Practice programmes are being well managed, taught and supported, resulting in excellent outcomes for students and stakeholders."

Te Noho Kotahitanga in action

		Academic Quality	Capability Development	Governance	Leadership	Priority Group Success	Research	Staff Engagement	Strategy	Student Success
2018	Q1	Programme Academic Quality Committees formed			Glenn McKay appointed Te Tumu / Executive Director Student Success ★					
		Power BI Dashboard established				Pacific Success Strategy established				
	Q2		Academic Board approves compulsory teaching capability 'badging' for academic staff		Merran Davis appointed Interim Chief Executive ★			65% Staff Engagement Survey 65%		+4 Student NPS Semester 1 Result +4
Oct 2018: EER visit	Q3			Council disestablished; Commissioner Appointed		Māia Māori Centre and Pacific Success moved to Te Puna			Proposed Renewal Plan staff consultation sessions	Annette Pitovao appointed Director Student Success ★
			Teacher Capability Development 'badging' begins			Māori Success Strategy established				SEaTS Attendance Tracking System introduced
	Q4		International Code of Practice staff training	Industry Advisory Committees formed	ELT and Support Teams move centrally to Building 110			65% Staff Engagement Survey 65%		Industry Connect Employer/ Student Events launched
						Academic Leadership & Schools Structure changes				-3 Student NPS Semester 2 Result -3
2019	Q1	Āta Kōrero - Evaluative conversations begin			Weekly Extended Leadership Team Hui begin	Tracy Chapman appointed Director International Success ★	Jenny Lee-Morgan, Professor of Māori Research appointed ★	Monday Morning Staff Karakia begin		Ākonga Angitū Student Charter introduced
				Simon Nash appointed Academic Board Chair ★		Toni Rewiri appointed Te Taharangi, Director Māori Success	Ngā Wai a Te Tūi (Māori Research Centre) opens			
Apr 2019: EER Report	Q2	Project Takohanga - Review of Trades Schools	Staff Development Priorities: Treaty-based Partnership & Priority Group Support	ELT Risk Register established	ELT ex-officio appointments - Director Ako, Schools Executive Lead, Director Pacific Success	Andrea Thumath appointed Director Under 25s Success ★	Outstanding PBRF result: Unitec top ranked ITP in research funding	Speak Up: Code of Conduct established		+8 Student NPS Semester 1 Result +8
		Q3	Academic Quality Action Plan underway	Whole of Organisation Professional Development (WOOPD) Plan			Māori Success Strategy reviewed	4.5M Endeavour Fund success \$4.5M		
	Q4				ELT Members Appointed - Executive Director Ako and Executive Director Schools & Performance	School Priority Group Champions Appointed			79% Staff Engagement Survey 79%	Waitākere Strategy launched
			Academic Risk Register at Academic Board				International Success Strategy established			Manaakitia te Rito - Renewal Strategy launched
2020	Q1		Living Te Noho Kotahitanga Badge made compulsory for all staff			Pacific Navigators appointed				
						Whānau - Fanau Evenings established				
Oct 2020: EER Visit	Q2	Programme-level Academic Risk Register		NZIST established; Unitec Board appointed				Diversity & Inclusion Strategy established	Partnerships Strategy launched	+19 Student NPS Semester 1 Result +19
		Internal Evaluation & Review						83% Staff Engagement Survey 83%		
	Q4	EER Draft result announced - Category 2				+9% 9% increase in Māori Qualification completions		84.5% Staff Engagement Survey 84.5%		+23 Student NPS Semester 2 Result +23



Student Success Mahi Rangatira

Unitec has maintained its commitment to Manaakitia te Rito and its parity goals by expanding and ring-fencing resourcing for the support of its Māori and Pacific ākonga.

This has happened despite ongoing pressure to control costs, and has allowed Unitec to fully operationalise its Māori and Pacific Success Strategies. The results are increasingly evident in a more inclusive organisation where Māori and Pacific ākonga have improved outcomes and are learning in culturally familiar environments.

Unitec's highly-effective COVID-19 response across the course of 2020 illustrates the institute's values and commitment to ākonga success, and its capacity for responsive, ākonga-centred, and whole-of-organisation activity. Even in the early days of COVID-19, Unitec staff were going out of their way to ensure support for ākonga, delivering care packages to ākonga in self-isolation and mobilising the Learner Outreach Project to check on the needs of ākonga, including pastoral care, online learning and access to digital devices.

This complemented other initiatives such as 'I See Me' and 'Hāpai Ō', which ensured ākonga were well-prepared for study, and courses were well-designed to support their success, particularly in the crucial first weeks and months.

Within four days of the first lockdown, all courses at Unitec shifted to online learning. Zoom sessions became a standard part of teachers' toolkits, and ākonga in areas as diverse as Dance, Acting, Nursing, and Canine Behaviour & Training began recording themselves in bedrooms, kitchens and backyards to provide evidence of learning.

The commitment at Unitec to putting ākonga at the heart of all activity is institution-wide. As a result, Student Satisfaction ratings and Student Course Survey results are the highest they have ever been, with increases across all parity groups.

Unitec drives opportunity for carpentry students' collaboration in America's Cup Race Village

While COVID-19 presented its fair share of challenges, it also opened up opportunities. This was demonstrated in the collaboration between Unitec and SkyCity which provided pathways for current and former carpentry ākonga to be involved in the iconic America's Cup event.

With the vision of giving something back to those businesses and sectors impacted by the effects of COVID-19, SkyCity worked with Unitec to give carpentry ākonga the opportunity of furnishing Te Pou, the New Zealand-themed bar and restaurant on Te Wero island in the heart of the race village.

The discussion led to the engagement of former Unitec carpentry graduate Ricki Uenuku, founder and owner of Blockhouse Bay-based Kingdom Furniture, to lead the project, with Level 3 carpentry ākonga Tshifhiwa Netshidzivhani and Taane McGregor helping with the construction.

The opportunity, which Ricki said was an "incredible experience", included the supply of a range of custom-made furniture, including Kingdom Furniture's signature Kiwi classic picnic table for the outdoor area of the bar where guests can sit and watch the America's Cup action on the giant screens.

Robin Barkley, Procurement and Supply Chain Manager, SkyCity, and Taane McGregor, Unitec carpentry student.



Ricki has always loved building things, but he never dreamed that one day he'd be creating furniture for some of the world's top sailing teams. Ricki said he's thrilled to be able to give back to the Unitec programme that got him started.

"Having so much on display in a place that's going to get so much attention, it's a bit like putting ourselves on display. Working with the Unitec carpentry ākonga has been an added bonus, it's been great to be able to support them on their career journey," he said.

Similarly, Unitec 2020 graduates Tshifhiwa and Taane are loving the opportunity to take their year's learnings and apply them directly to an on-the-job scenario. "Working on such a cool project has just been the perfect step into the job market," said Taane.

In fact, things have gone so well on this project that Taane is staying on over summer to work with Ricki and the Kingdom Furniture team on some other projects; providing a great example of the transition from learning into earning.

"It's great to see industry reaching out to Unitec because of the belief they have in our ākonga," said Jake Curran, programme manager at Unitec's School of Trades & Services.

"It shows our relevance to the wider Auckland economy, and highlights the employment opportunities that our training can lead to."

“It's great to see industry reaching out to Unitec because of the belief they have in our ākonga”

— JAKE CURRAN, PROGRAMME MANAGER,
SCHOOL OF TRADES & SERVICES

Scholarship winner drew inspiration from her Grandmother in new typeface for Aotearoa

A Māori graphic design ākonga who took a bold new approach to a time-honoured art form was the recipient of the 2020 Bold Innovators Scholarship at Unitec.

Master of Creative Practice (MCP) ākonga, Jaime Kapa (Tainui) won the annual scholarship, designed to support Masters graduates further a concept they've developed during their time at Unitec, with a new typeface that draws on her Māori and Chinese heritage.

"My project is grounded in the development of a typeface as a personal exploration in the space between oral history and typographic form," said Jaime.

"Our whakapapa, the life-world of my maternal Grandmother, whose parents were Māori and Chinese, as well as our marae, are key sources of discovery, inspiration and influence in the typographic design process."

Jaime's typographical poster series was displayed in Unitec's Gallery One, a space which Jaime described as "my hybrid space between Māori and Pakeha."

"It's the Māori visual form that is most dominant for me," said Jaime. "This balance may not accurately reflect reality as it is, but it reflects a world that I hope can be realised in Aotearoa. It's about how language and people inhabit the land and occupy space."

Dr Vanessa Byrnes, Head of the School of Creative Industries, acknowledged the long wait for Jaime to receive her scholarship in a year disrupted by COVID-19 lockdowns. "Good things take time," she said. "The School is very privileged to have students like Jaime."

"Her work demonstrates how the power of ink can reclaim the lost art of typography and use its unique form to imprint on the mind and soul with impact."

William Bardebbs, one of Jaime's supervisors on her Masters project, paid tribute to her commitment and dedication over a two-and-a-half year journey. "You have a purpose so important," he said. "You've defined a form that speaks to hapu and iwi in a cyclone of letter-based excellence."

"You've created a lifelong journey - an authentic way for people to have a voice that was traditionally oral and is now on paper."



Jaime Kapa

“You've created a lifelong journey - an authentic way for people to have a voice that was traditionally oral and is now on paper.”

— WILLIAM BARDEBES OF JAIME KAPA

Gregor Steinhorn, Research Partner at Unitec's Tūāpapa Rangahau, said the scholarship is designed to support the spirit of innovation and enterprise among ākonga. He said often the ideas are seeded from something that's seemingly obvious, but it's the twist that the ākonga put on them that makes them unique. "We were very excited when we saw Jaime's work - it combines a deep understanding of the craft of typography with kaupapa Māori," he said.

The potential for the growth of the concept will now be maximised with the ongoing support that the \$12,000 scholarship offers - which Jaime is hoping will ultimately lead to the establishment of a type foundry in Auckland to develop unique Aotearoa typefaces.

"Establishing a type foundry will encourage other design creatives to learn the lost art of typography, and help give our ever-evolving history and culture typefaces which we can all identify with," she said.

Graduate's crusade to restore mana of men struggling with mental illness



Unitec Bachelor of Social Work graduate Jason Matia (Te Aupōuri, Te Rārawa) is on a mission to combat the shame and stigma many men face when struggling with mental illness and trauma.

Jason is both a victim and perpetrator of family violence and knows all too well how detrimental the mental impact of trauma can be for families if left untreated.

He said, "I carried all the truths of abuse through life. I watched my father mentally and physically abuse my mother and was subject to this myself, in turn becoming a perpetrator of domestic violence. It was normal growing up and I ended up losing my family and access to my kids for two years. I had to prove I had changed and went to counselling for a year, then after that I met a social worker who turned out to be a Unitec graduate."

His experience set him on the pathway to studying at Unitec and what he learned throughout his study inspired him to help support and stop other men making the same mistakes he did.

"When I started I had nowhere to live so I stayed in my car in Henderson and all I did was study. It's a hard-hitting degree where you have to peel back a lot of layers of your own life. I realised I felt like I had no power growing up but I took advantage of the power I had over my partner and that led to me hurting the people I love. I stopped blaming my father and forgave him and realise now I was a child being raised by a child."

Jason believes restoring the mana of men is key and is thankful for the support he was given by staff at Unitec who kept him on track despite wanting to give up many times.

"Paula Bold-Wilson, my lecturers - all the staff really - they supported me and made sure I stayed focused. It's taken several years but now my ex-partner and I are on amicable terms, and she's supportive of me seeing my kids. My long-term goal is to set up a men's refuge centre where they can seek support and learn how to respect women, and find healthy ways to deal with what they're struggling with."

Since graduating, Jason's returned home to Te Taitokerau to work as a Male Community Advocate with Mid North Family Support, which has provided free services to whānau in the region for more than 30 years. Jason's manager Doreen Rihari said, "We knew we needed to create real change for men who use violence towards their partners or their children. Our particular focus was with men who have been victims of sexual or physical violence themselves. We wanted to know how to help them desist from violence and achieve healing and restoration of mana."

Jason knows all too well how important the services he is now contributing to are and is thankful Mid North Family Support has created an opportunity for him and others to exact real change and make a true and meaningful difference.

"Men don't know how to open themselves up to other men, they don't know how to communicate and they bottle all this stuff inside because it's not manly and that's a huge thing for me. There's a real poverty of mind, and generational issues, and it's hard to change that mindset."

He and the dedicated whānau he works with are already making great strides and his first task was conducting an in-depth assessment of the availability and effectiveness of current services for men in the region.

Jason fully understands the road to recovery is a never-ending journey and how important dedicated support is for everyone involved. He hopes his experience and his willingness to share it will encourage more men to seek help when they need it.

"I'm thankful to Unitec for what I've learned. Now, I need more male Māori social work graduates to join us and support this mahi so I'm eager to continue our relationship and build the right support for our people."

E hoki ki ō maunga kia purea koe e ngā hau e whā o Tāwhirimātea - Return to your mountain and be cleansed by the four winds of Tāwhirimātea

Flying high on a new career journey

Luke Emerson had worked in the airline industry for 12 years when COVID-19 first struck.

He started his flying career with Jetstar Australia and then moved home to New Zealand three years ago where he switched to flying domestic and international routes with Air New Zealand. He was one of several hundred pilots made redundant in 2020 when the airline had to make dramatic cuts to its domestic and international flight schedules due to the effects of COVID-19.

Not one to sit still, Luke's now building a career in Construction and Architecture, having enrolled in the New Zealand Diploma in Architectural Technology with his interest sparked after he and his wife had renovated their Mt Eden home.

He was keen to find out more about the construction, compliance and design process so he could do work on future projects himself and turn it into a possible career. Luke is studying under the Government's Targeted Training and Apprenticeship Fund (TTAF) and started at Unitec's Mt Albert campus in July 2020, joining a Semester 2 cohort of which nearly half were new to the industry, as well as looking for a new career direction.

Doing the two-year diploma course also gives 36-year-old Luke the option to transition easily to a Bachelor of Architectural Studies or Bachelor of Construction as an add-on, both offered at Unitec. Although he's not sure what the future holds for him, Luke said it's great to have the opportunity to learn new vocational skills that he can put to practical use. He's worked on his first drawing project for design technology and is learning to design and produce construction documentation for both residential and commercial buildings, working alongside architects and construction specialists.

“
Luke's a great example of the cross-Unitec solution where we can provide our ākongā with a range of opportunities to upskill, fitting in their studies around their work and business commitments”

— Vivienne Merito, director of marketing and communications

"Architectural technology is much more than the design elements - it's also the liaison with Councils around planning consent and other compliance," said Luke. "It's much more involved than you'd think."

Luke also enrolled in a Search Engine Optimisation course at Unitec's School of Applied Business in 2020, a short course developed and co-delivered with Pure SEO. With his sister Jessie, Luke runs online delivery business The Baby Bag, delivering nappies, wipes, formula and food to new parents all over the country. He said the skills he's learning on his SEO course, including keyword research, Google analytics and search engine strategy, are all skills he can apply to his own business and give him the opportunity to innovate and expand his thinking.

"Luke's a great example of the cross-Unitec solution where we can provide our ākongā with a range of opportunities to upskill, fitting in their studies around their work and business commitments," said Vivienne Merito, director of marketing and communications at Unitec. "The skills that Luke is learning are providing him with the perfect antidote to the current climate, addressing the need to innovate and providing expanded employment opportunities."

Equally important for career switchers like Luke, Unitec's strong industry relationships provide employment opportunities for its ākongā and graduates. The practical application of knowledge is invaluable in helping ākongā kick-start their careers, with employers finding them work-ready and keen to learn.



Luke Emerson



Learning, teaching and applied research Mahi Rangatira – Rangahau, Akoranga

Unitec's Learning and Teaching Strategy supports Manaakitia te Rito, and was developed alongside Te Tīpare, Unitec's framework for embedding mātauranga Māori.

The strategy is supported by Te Puna Ako, Unitec's team responsible for the quality of teaching and learning; and by Te Korowai Kahurangi, the team responsible for academic quality assurance.

High quality academic support for Māori ākonga is a top priority at Unitec. Te Tīpare guides teachers in approaches that support the target of parity, and ensures the needs of Māori ākonga are taken into account. During 2020, all teachers undertook professional development to build their competency to work with Māori ākonga with a total of 665 staff gaining their Living Te Noho Kotahitanga capability development badge.

Quality of teaching scored highest in this year's student Net Promoter Score, achieving a record-setting overall score of +23 in Semester 2. In addition, all courses were surveyed for ākonga feedback on the quality of course content and teaching. The overall course rating for 2020 Semester 1 was 8.1, the highest score ever gained in this survey.

In another milestone, Yo Heta-Lensen (Ngāpuhi, Ngāti Hine), a teacher in the Early Childhood Education team, was named as one of New Zealand's top tertiary teachers by Ako Aotearoa. Yo is Unitec's first winner in the Kaupapa Māori category.

Unitec's Research Strategy focuses on strongly partnered industry and community research and student-integrated research, anchored on the principles of Te Tiriti o Waitangi. Unitec ākonga collaborate with external stakeholders in research that makes a difference to the lives and wellbeing of whānau, communities and industry.

These two drivers combine to help ākonga gain relevant employment and to engage successfully with further study. Student integrated research has grown strongly at Unitec, along with success in the Performance-Based Research Fund, Externally Funded Research and the development of research centres, including Ngā Wai a Te Tūi, Unitec's Māori and Indigenous Research Centre, and the Environmental Solutions Research Centre.

Unitec's annual Research Symposium attracted a record level of interest this year, with more than 160 research submissions received from tertiary institutes from all around the country. One of the highlights of the Symposium was the 3-Minute Thesis competition that challenges postgraduate ākonga to answer the question, "What are you researching?" in a presentation of no more than three minutes.

Whare Māori portal aims to increase support for Māori communities

Increasing support for Māori communities is at the centre of a collaborative response between the New Zealand Family Violence Clearinghouse (NZFVC) and Ngā Wai a Te Tūi, Unitec's Māori and Indigenous Research Centre. The extraordinary circumstances created with the onset of COVID-19 and the Government's response of social isolation highlighted the importance of providing a dedicated platform for Māori communities to ensure their voices continue to be heard.

NZFVC launched the 'Whare Māori' portal in April 2020, providing important COVID-19 violence prevention information, korero and activities to support whānau Māori and Māori community providers.

Ngā Wai a Te Tūi is continuing to work with NZFVC to capture relevant material and commentary from Māori individuals and communities to ensure their voices are built into future support and prevention strategies.

Director of Ngā Wai a Te Tūi, Professor Jenny Lee-Morgan (Waikato-Tainui, Ngāti Mahuta, Ngāti Te Ahiwaru), has supported the ongoing dialogue between senior researchers Rihi Te Nana (Tūwharetoa, Ngāti Maniapoto, Ngāti Raukawa), Professor Leonie Pihama (Te Atiawa, Ngā Māhanga ā Tairi, Ngāti Māhanga), and the NZFVC to co-create a Te Tiriti governance framework that better serves the needs of whānau Māori, along with Māori service providers actively involved in sexual and domestic violence prevention across Aotearoa, New Zealand communities.



Researcher Rihi Te Nana and Professor Jenny Lee-Morgan

Alongside other Māori researchers, practitioners and healers, they have grown a significant and important body of kaupapa Māori research that examines historical and intergenerational trauma and the impact of sexual, domestic violence upon whānau, hapu and iwi. Their research has focused on kaupapa Māori healing interventions that support affirmative whānau transformational change towards whānau ora and flourishing whānau.

Such research findings have highlighted the need for organisations like the NZFVC to seriously consider strategic alliances with Māori; making space available within organisational structures to include Māori in the strategic and operational processes that effectively impact this sector.

One of the innovative kaupapa Māori initiatives that Rihi Te Nana led in the Whare Māori was the creation of a live-streamed 'Tane Talks' panel. Aimed to support Māori men in personal and positive ways, 'Tane Talks' reached a wide audience of whānau, researchers and practitioners.

Emerging Māori researcher gains scholarship to Cambridge University



Jacqueline Paul

Ngā Wai a Te Tūi researcher and Unitec lecturer Jacqueline Paul (Ngāti Tūwharetoa, Ngā Puhī Ngāti Kahungunu ki Heretaunga) headed to the University of Cambridge in September 2020 to study for a Masters of Philosophy in Planning (MPhil), Growth and Regeneration in the Department of Land Economy.

The 26-year-old, who holds a Bachelor of Landscape Architecture degree, was awarded a significant postgraduate scholarship from Ngā Wai a Te Tūi, under an MBIE Endeavour Funded research project - Marae Ora, Kāinga Ora (MOKO): Marae-led housing interventions that develop kāinga.

Her research will be embedded in the notion of kāinga which will explore collaborative practices to influence and enhance the development of policy, practice and provision in housing. This study aligns with the MOKO research that investigates the potential of marae to strengthen their provision of kāinga in the contemporary urban context of South Auckland.

The University of Cambridge is ranked as one of the top universities in the world and the MPhil in Planning, Growth and Regeneration programme is professionally accredited by the Royal Institution of Chartered Surveyors. The programme combines elements of economics, spatial planning, environmental policy, finance and law.

"We're extremely proud of Jacqueline's achievements and delighted to award this scholarship to support her academic studies and research, which aligns well with the MOKO research project," said Research Manager, Ngāhuia Eruera (Ngāti Awa, Ngāi Tuhoe, Tuhourangi).

The Masters course at Cambridge is an intensive programme that provides relevant skills to professionals involved in managing local economic growth and regeneration, regulating land use, and undertaking strategic planning. Through her research, Jacqueline is aiming to identify and understand how Aotearoa New Zealand might address the housing crisis for Māori which is based on human rights and anchored in Te Tiriti o Waitangi. She hopes her learning in policy and economic development will contribute and support national housing strategies and housing outcomes for Māori.

"I'm excited about this opportunity to learn new tools, and gain relevant skills and knowledge to contribute to the health and well-being of our people at home in our communities."

"The legacy of colonisation has had a major impact on our whānau who are unable to live on their homelands due to assimilation, forced dislocation, and displacement. I've seen my own whānau struggle to put food on the table, live in cold and damp housing conditions and spend generations in poverty," said Jacqueline.

Jacqueline is an appointed member and independent specialist for the Urban Development and Planning Committee at Kāinga Ora - Homes and Communities (Housing New Zealand), a member on the Expert Advisory Panel for Te Kawa Mataaho Public Service Commission supporting Open Government and has also been involved with the National Science Challenge - Building Better Homes, Towns and Cities Māori housing research.

Jacqueline has also received a General Scholarship awarded by Ngāti Kahungunu Iwi Incorporated, which aims to support Kahungunu tertiary ākonga, as well as a STEM Scholarship awarded by the Māori Education Trust, which is available to Māori postgraduate ākonga undertaking study in science, technology, engineering or mathematics.

“Radically disruptive progression” of kaupapa Māori in early childhood education earns Unitec lecturer national award



Yo Heta-Lensen

Yo Heta-Lensen (Ngāpuhi, Ngāti Hine) takes pride in championing what some describe as a “dangerously progressive” approach to embedding kaupapa Māori within early childhood teacher education.

Her transformative approach to the development and implementation of mātauranga Māori across Unitec’s Bachelor of Teaching (Early Childhood Education) programme is building a culturally diverse generation of early childhood educators armed with the ability to interweave kaupapa Māori into a child’s early years of learning.

“Early Childhood Education is an under-represented field of education, yet it’s where the most learning occurs. It’s an area of education that I’m so passionate about because children are our next generation. They’re our mokopuna, our DNA - the blueprint of where we come from and where we’re going. It’s an absolute privilege to work in the field of early childhood,” said Yo.

Ako Aotearoa recognised the positive impact of her approach with a Sustained Excellence Award in the Kaupapa Māori category of the national Tertiary Teaching Excellence Awards in 2020, identifying Yo as one of New Zealand’s top tertiary teachers.

“Excellence in kaupapa Māori teaching for me is more about being led by the kaupapa. Kaupapa Māori are the taonga tuku iho that have been passed down by our tūpuna. To be able to walk humbly, understanding that you are carrying those taonga forward and gifting them on to the next generation is for me what constitutes excellence in kaupapa Māori.”

“A transformative approach involves a holistic and collaborative approach to changing education across all levels of an institution; an approach that can often be uncomfortable or perceived as radical and disruptive.”

Yo believes being prepared for anything and fully understanding what you’re up against is key to breaking down barriers.

“You come across all walks of life, especially when you teach in mainstream and sometimes you’re at the interface between two worlds. So you need to have aroha and you need to have a lot of manaaki for your tauira. You’re on a decolonising journey, it doesn’t matter who you are or where you’re from. Kaupapa Māori is about unpacking, deconstructing and decolonising our past and understanding our place in this present time and the impact we will have on the future.”

Interweaving mātauranga Māori throughout her work has helped Yo develop authentic courses carefully staged to scaffold ākonga knowledge of how to plan, implement, evaluate, and improve on the incorporation of te reo Māori me ngā tikanga Māori in practice.

“When students come into the programme they come with all different levels of fluency, willingness, ability and knowledge, so one of the techniques I’ve developed over time is a kete-based approach, Ngā Kete Manaakitanga. Using this, students are able to gather the knowledge they need at a pace that works for them in key areas of learning.”

“
Excellence in
Kaupapa Māori teaching
for me is more about being
led by the kaupapa”

— YO HETA-LENSEN, LECTURER,
EARLY CHILDHOOD EDUCATION



Our Communities Ngā Hapori



At all levels of study, the contribution of Unitec ākonga is valued by their Māori and Pacific communities. This is a key support pillar for our priority groups.

A particularly notable example is in the postgraduate and research space through the work of Ngā Wai a Te Tūi, Unitec's Māori and Indigenous Research Centre, and the involvement of postgraduate ākonga in its community-focused projects.

Pacific graduates maintain notably strong, positive connections to Unitec. Nearly a third of the current Pacific staff at Unitec are themselves graduates of Unitec, remaining strong supporters of the educational experience that Unitec offers.

In 2020, Ngā Wai a Te Tūi had 12 significant, externally-funded Kaupapa Māori projects underway, many with postgraduate ākonga involvement and all in collaboration with Māori communities.

Connecting our younger ākonga in a disconnected world

While the country was in lockdown, the Unitec Pathways College (UPC) team was busy creating innovative ways to keep our younger ākonga connected and engaged, including online 'couch sessions' and a Facebook Live tour of Mataaho.

Adapting to lockdown and an entirely digital way of working can be a challenge for anyone - but not UPC. The team worked together to support the success of our young people by planning and implementing a variety of programmes that enabled them to remain engaged and connected.

The relaxed and casual online 'couch sessions' were particularly popular. These sessions were developed to provide one-on-one communication between UPC's Secondary School and Community Liaisons team and any ākonga throughout the country who wanted to engage. The online connection allowed UPC to expand its network to a much wider range than Auckland.

In place of their usual school holiday workshops, the UPC team introduced 'Unitalks' - an engaging, interactive programme that directly connected ākonga with lecturers in their field of interest. With the premise of 'study your passion, save the world', ākonga were able to participate in a series of talks given by lecturers which encouraged discussion on how their industry could save the world.



John Taufa, Debbie Loots, Anaru Parangi and Blair Sorensen from Unitec's Secondary School and Community Liaison team

A Facebook Live tour of our state-of-the-art trades training facility, 'Mataaho Go Live', took ākonga on a virtual tour of Mataaho, just as the first nationwide lockdown was coming to an end. Hosted expertly by Anaru Parangi of the Secondary School and Community Engagement team, the virtual tour gave ākonga the opportunity to see inside the facility, take part in simulation exercises on some of the tools and speak with teaching staff from Building Construction, Electrical Engineering, Automotive and Plumbing.



The technologically triumphant Tominikos

A Samoan couple studying for a Certificate in Liaison Interpreting at Unitec found the initial move to online teaching under the COVID-19 lockdown daunting, but soon embraced the change. "Before lockdown he only owned a phone that we all had to answer for him, now we can't get him off the laptop," Setefano Tominiko's wife, Makarita, said of him.

Setefano and Makarita Tominiko are passionate representatives of their Samoan heritage, and at the age of 62, they're two of Unitec's older ākonga.

Less than a month into their new educational journey, the Tominikos were confronted with another daunting challenge - having to take their classes online.

With the closure of the Unitec campus as part of the COVID-19 lockdown, all classes were moved online within just four days. It meant the couple had to come to grips with technology which was alien to them.

Makarita said, "It was scary and a bit of a struggle at first, because me and my husband are 'old school'. However, with the help of our tutor and our youngest child Stephen, we've learned to use all the functions and it has opened up a lot more opportunities for us in a whole lot of places."

The dynamic duo are no strangers to overcoming challenge and have worked tirelessly since they first migrated to New Zealand from Samoa.

"My husband has adjusted really well," said Makarita. This experience has built up a whole lot of new skills for us both, like using a laptop and connecting with our family, while we carry on with study."

The choice of taking up a new pathway in education was an unexpected one for husband Setefano and came about when he was forced to leave work due to health reasons.

Knowing how much of an impact this would have on him, the Tominiko family rallied together to plot out a way forward for him; one that would keep him positive and motivated through a difficult time.

The eldest of their six children, Dr Falaniko Tominiko, who is the Director of Pacific Success at Unitec, saw an opportunity to combine his father's passion for the Samoan language and his nurturing way of helping others.

With his knowledge of the courses on offer at Unitec, Falaniko suggested his father study for a Certificate in Liaison Interpreting; a qualification that would optimise his in-depth knowledge of the Samoan language and culture, but also provide new and exciting career opportunities.

Makarita, who already holds a degree in Social Work, knew the journey wasn't going to be an easy one but wanted to be there to support her husband in his new pursuit, so she signed up as well.

"It's a lot harder for older people. Taking on education like this can be scary but I knew if we did it together, it would work."

Falaniko said his father has now become a master of using technology and often calls family meetings online and video chats to family members all across the world, using his new tech-savvy skill base. "We can't get him off the laptop now," he said.

The couple are extremely thankful for the additional support they've received from family and their enthusiastic and supportive teacher Anna Guo, who made participating in the online teaching lessons an interactive and enjoyable experience.

Anna, who's a lecturer in Unitec's Bridgepoint School, said, "Setefano and Makarita, along with all our students, have been so enthusiastic. They've never missed a class on campus and they've never missed a class online. With that level of commitment, we want to do everything we can to make sure they reach their goals."



The Tominikos taking part in an online session during lockdown

Whānau-oriented approach turns challenge into opportunity for International ākonga

Confronting challenges and seizing opportunities is nothing new for International ākonga Richard Jin, who left his home in China seven years ago to live in New Zealand and further his study.

Leaving family, friends and language behind is a daunting prospect for many and the impact of COVID-19 introduced a new level of apprehension for many International ākonga as concern for their families' wellbeing weighed heavy on their minds.

Richard said technology and being able to video chat with friends and whānau back home helped, and the manaakitanga of academic and support staff at Unitec kept him focused.

"Studying abroad can be isolating and challenging but if you surround yourself with the right people who support and encourage you, you can do anything."

Richard will graduate in 2021 with his Bachelor of Veterinary Nursing from Unitec's School of Environmental and Animal Sciences (EAS). He said a unique part of what he has come to appreciate in his time at Unitec is the whānau-oriented approach of supporting ākonga throughout their journey.

The Veterinary Nursing programme provides practical experience alongside theory and Richard has gained valuable work experience at the Veterinary Specialist Group while studying. He also chose an elective course that gave him the opportunity to travel to Tonga to assist in a project to de-sex cats and dogs on the island.



Richard Jin

“ Studying abroad can be isolating and challenging but if you surround yourself with the right people who support you and encourage you, you can do anything”

— RICHARD JIN, BACHELOR OF VETERINARY NURSING STUDENT

Further practical experience is offered by EAS through its animal unit, Te Puna Kararehe, where ākonga contribute to the care of a number of animals including guinea pigs, rabbits, rats, budgies, chickens, green geckos, bearded dragons and skinks.

Unitec's Student Success team plays a key role in ensuring International ākonga are supported holistically and many have come to see them as their surrogate whānau.

"International students leave behind so much of what they know to come here and study, so wrapping the right manaakitanga (support) around them is key to their success. Acknowledging their language, their culture and helping them understand that we are here and that it's ok to ask for help is really important," said Annette Pitovao, Director of Student Success.

While Richard is looking forward to graduating, he knows he'll always be a part of the Unitec whānau, no matter where his experience and opportunities take him in the future.

"I can't thank the whānau at Unitec enough. This is a journey and opportunity I will never ever forget."

Shaping urban spaces with Unitec's young talent



Unitec students presenting to the Unlock Pukekohe Programme Team

Unitec ākonga from the four-year Bachelor of Landscape Architecture degree worked with Panuku Development on a real-world design challenge in Pukekohe, where they undertook a simulation master-planning exercise.

Sibyl Bloomfield, Lecturer in Landscape Architecture, said: "Exposing our ākonga to a real-life project is incredibly valuable as it reinforces their learning and allows them to develop skills and understanding that are directly applicable to their future careers."

"By having real-world clients and real-life projects, the students are engaging directly in the communities and spaces that shape our lives in this city."

Ākonga undertook a four-month 'journey', with an initial briefing of the Panuku Unlock Pukekohe High Level Project Plan, called Kia Puāwai a Pukekohe.

This plan captures Auckland Council's desire to deliver urban futureproofing within Pukekohe which is forecast to experience a population increase of 50,000 people in the next 20 years.

A primary focus for the ākonga' planning was exploring mana whenua engagement and placemaking as key elements of community development and urban regeneration, in response to the forecast population growth. They also explored the blending of te ao Māori into the creative process, being challenged to apply te ao Māori concepts to forms, patterns and processes using contextual opportunities and constraints.

At an event in June, ākonga presented their final presentations to Panuku CEO David Rankin and the Unlock Pukekohe programme team, led by Richard Davison. Guests also included Logan Soole and Angela Fulljames from the Franklin Local Board.

Commenting on the presentations, Angela said, "The Franklin Local Board has enjoyed a great relationship with Unitec's School of Architecture for the past three years. The massive benefit is the objective and different perspective these students bring to commercial projects. Often, I think politicians and town planners need a stimulus of something new and fresh. This is what these ākonga have supplied today in abundance.

"These young people are the designers and place-makers of our future cities. And after today I can safely say we are in good hands."

“ The massive benefit is the objective and different perspective these students bring to commercial projects. These young people are the designers and place-makers of our future cities.”

— ANGELA FULLJAMES, FRANKLIN LOCAL BOARD

Staff Engagement

Oranga Kaimahi



Despite financial pressure and rebuilding, the support of the Unitec community for organisational direction continued to strengthen in 2020. Staff said they felt valued and staff satisfaction rose consistently.

A key element referred to by the Internal Evaluation & Review (IER) team in May 2020 was the high level of staff understanding and commitment to Manaakitia te Rito, Unitec's Renewal Strategy. The IER commented repeatedly on the shared strategic direction, evident throughout all teams via a powerful alignment of strategy, takitahi goals, team action plans and individual staff plans.

An environment of transparency and communication, operating as a single team including the Executive, and aligned in purpose, has been central to Unitec's regeneration. This is illustrated by initiatives such as a popular Monday morning Karakia for all staff, a weekly 'Extended Leadership Team' meeting for all managers, the central relocation of Executive Leadership into open plan office space alongside Support Teams, and the establishment of the Staff Advisory Rōpū 'STAR' and the Diversity & Inclusion Rōpū.

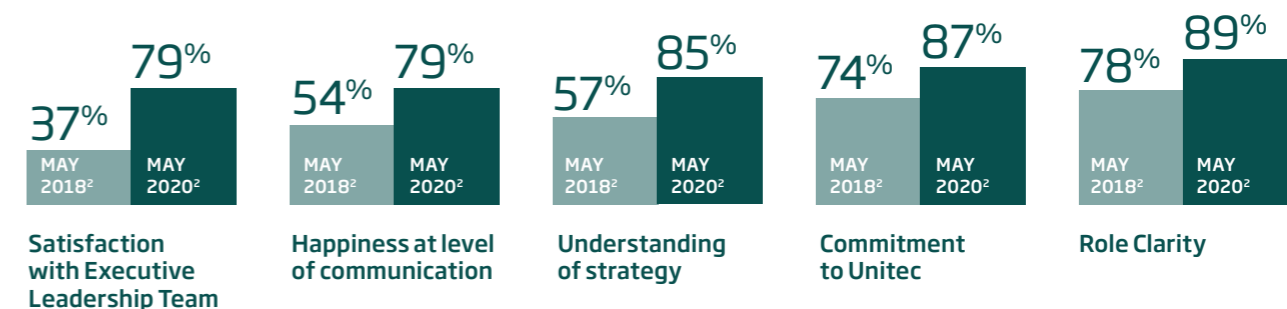
Between May 2018 and May 2020, results from five Staff Engagement Surveys showed that ratings on key cultural aspects have risen significantly.

Among these indicators, role clarity has risen from 78% to 89%; commitment to Unitec from 74% to 87%, understanding of strategy from 57% to 85%, and happiness with the level of communication from 54% to 79%.

Positive staff engagement across the organisation had a direct impact on student satisfaction and improved educational outcomes.

Staff Engagement Score

65% **84%**
NOV 2018¹ NOV 2020¹



1. The annual Staff Engagement Survey
2. The May Staff Pulse survey

Unitec's Learner Outreach Project mobilises expanded staff team

Within the first week of the nationwide lockdown in March 2020, Unitec had mobilised a range of remote-working support staff to further expand the resources of its Learner Outreach Project (LOP), established in 2019 to facilitate a better understanding of ākonga needs through actively tracking and monitoring progress.

As part of the expanded outreach during lockdown, a range of support teams joined existing LOP staff to make personal phone calls to ākonga across courses and programmes, checking on their welfare and establishing whether they had the resources to complete online course activities and assessments. They also provided information about digital support, personal finance and health and wellbeing, and referred ākonga to support services if they needed help.

Mental health awareness a key focus for Unitec's Sustainability & Wellbeing team

As part of its wellbeing strategy, Unitec has been developing the capability of its staff to deal with mental health issues, a topic of increasing importance for all New Zealanders, especially in context of the challenges and disruption to work and home life caused by COVID-19.

In 2019, Unitec's Sustainability & Wellbeing team partnered with reTHINK, the consumer-led mental health provider, to introduce a two-year certification programme for staff to help address the stigma associated with mental health. A third of staff have been certified and are now equipped with the tools and confidence to respond to mental distress.

In 2020, Unitec also channelled savings from its wellness programme to implement a change resilience programme. Nearly 120 staff from across the organisation were selected to attend resilience workshops with the plan to develop and deliver in-house workshops in 2021.

The Unitec Staff Wellness programme, which is usually run on campus, continued in an online format during lockdown. Activities included meditation, a walking club, Bollywood dance and boot camp. These activities were almost all voluntarily run by Unitec staff, who also set up online chat groups to share tips on topics such as productive online team meetings and keeping children entertained at home.

Annette Pitovao, Director of Student Success at Unitec, said that the range of support activities was met with very positive feedback. "Our ākonga appreciate hearing from us, and knowing that there's someone on the other end of the phone who cares makes a huge difference to their motivation levels," she said.

"We want our ākonga to have the most favourable learning experience possible under the current, challenging circumstances with the least amount of disruption to their future success."



Unitec staff members Nora Md Amin, Dipti Vora, Sana Saleem and Susan Eady with their reTHINK course certificates

Unitec's Human Resources team also made personal calls to staff across all Schools and support teams, checking on their welfare and advising on home office set-up and juggling work-life balance under lockdown.

Psychosocial safety has been another key area of focus over the past year with senior leadership involving staff from across the organisation in the decision-making. This follows the collective development and roll-out of a new Code of Conduct in 2019, delivering a commitment to an environment free of bullying and harassment.

Unitec staff deliver care packages to ākonga in self-isolation

Unitec staff showed manaakitanga and support to its ākonga impacted by the COVID-19 outbreak by delivering care packages to those in self isolation.

More than 40 ākonga who had travelled to Auckland from China to start the new semester at Unitec in March 2020, followed Ministry of Health guidelines by keeping themselves isolated for the mandatory two-week period before starting classes.

The care packages contained useful items such as washing powder and cereal, as well as some 'Kiwi' treats like Whittaker's chocolate and health information in Mandarin.

Ākonga expressed their thanks at the care shown with one being moved to tears at the gesture.

"I received the package at the door. I thought it was school documents or something I need for work. But I didn't think it would be these things...it moved me to tears. Thank you soooooo much for coming here to deliver these things for me, and thanks for everyone's encouragement and help. I love this warm country and you guys."

“The care packages were one small way that we could support ākonga during what was a very stressful time.”

— MELINDA JENKINS, STUDENT SUCCESS COORDINATOR

Melinda Jenkins, Student Success Coordinator said it was important that the ākonga knew that Unitec was thinking of them.

"The care packages were one small way that we could support them during what was a very stressful time. In our communication with them, we knew that they were really keen to start their studies here as soon as possible, so we kept in close contact and gave them the information they needed to know before arriving on campus."

Marion Blundell, Te Puna Waiora Health & Counselling Manager, said that sourcing content for the packs was mahi kotahitanga in action and a collaborative effort between Unitec staff and local food providers.

"The responses we had were really lovely. We also had food donated by local suppliers who gave us bags of snacks, noodles and drinks. We included those in the care packages, along with information about support services at Unitec, Ministry of Health guidance about self-isolation and useful websites for food delivery."

In order to help those ākonga affected by travel restrictions and self-isolation begin their studies remotely, teaching staff recorded lectures and provided online resources.



Melinda Jenkins with some of the care package items



Financial Sustainability Tiaki Putea

In 2018, in order to address the major financial loss and lack of confidence in the organisation, the Executive Leadership Team undertook a Renewal Plan for the restructure of Unitec to a sustainable model by 2020.

The objectives of the three-year Renewal Plan were:

- To design a sustainable operating model and structure for a minimum of 6,000 EFTS for 2020 and beyond;
- To realise overall cost savings of 20% across the organisation;
- To engage effectively with our people and key stakeholders throughout the process;
- To enable Unitec to recover and grow in core areas of opportunity

In 2019, the significant restructures undertaken as part of Manaakitia te Rito, or the Renewal Strategy, enabled a \$28.9m total cost reduction (including total operating expenditure, redundancies and transformation) from 2018 and enabled an operating surplus to be achieved.

As a result of the successful implementation of the student success initiatives in 2019 and 2020, Unitec's student Net Promoter Score has significantly improved and in 2020 new domestic student enrolments started to increase again.

In 2020, despite the impact of the COVID-19 pandemic on International tuition fees and additional one-off related costs, Unitec has realised a further \$3.8 million reduction in operating expenditure.

On an annual basis, Unitec's operational result is a surplus of \$2.4m, well ahead of the budgeted deficit of \$3.3m.

The Government initiative under the Targeted Training Apprenticeship Fund assisted with boosting Semester 2 enrolments in 2020. Domestic equivalent full-time ākonga numbers for 2020 finished the year at levels that were 2.9% greater than budget. Early indications are that this trend will also continue in 2021.

Under Manaakitia te Rito, Unitec has moved from a focus on rebuilding and consolidation, to being a forward-looking organisation that plans for innovation and anticipates and responds effectively to change. Unitec leadership has adopted a business model that is sustainable and adapts to the changing needs of the sector under Te Pūkenga and the various pressures of COVID-19. The business model is well-aligned to the organisation's educational purpose and ensures sufficient resources are allocated to support high quality learning and teaching.

Putting the needs of ākonga at the heart of our financial decision-making

At a time of significant financial constraint, Unitec has ring-fenced and invested in critical resourcing for teaching and support in key areas:



The Mataaho Trades facility has been reconfigured to enable us to meet the growth in enrolments



A team of Priority Group Directors, Kaihautū and Pacific Navigators has been established and strengthened in support of Unitec's parity stretch targets and Priority Group ākonga success



The Waitākere campus has been refurbished with Te Kakatai dedicated teaching spaces and staff, and a new Student Central area, reflecting its importance to West Auckland



In 2020, Unitec's Portfolio Leadership Group has identified and supported strategic programme and short course developments that will meet the needs of the Tāmaki Makaurau region and support collaborative opportunities across Te Pūkenga



Unitec's 'Workload Model' enables teaching requirements to be carefully and efficiently matched to enrolments and staff, and to flex as required.

Financial sustainability initiatives result in significant environmental benefits

The first year of Manaakitia te Rito implementation led to a 22% reduction in our carbon footprint with the financial sustainability objective of campus consolidation a key contributing factor. In 2020, our carbon footprint was further reduced by a third. This is due to COVID-19 significantly decreasing our consumption of:

Air Travel



92%
reduction

Paper



63%
reduction

Fuel



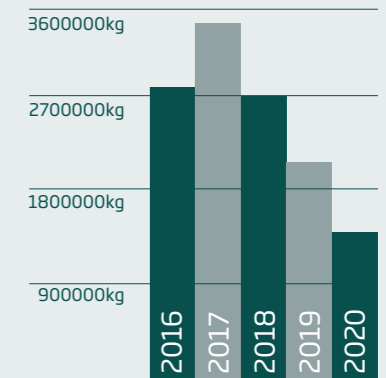
57%
reduction

We are on track to achieve our 30% carbon footprint reduction by 2030, as measured from the 2014 baseline. This is due to a combination of factors that are expected to continue:

- Restrictions on air travel
- Building moves
- Ongoing savings due to last year's improvements



30%
reduction goal



In 2020, our water footprint was 65% less than in 2019. In addition to campus consolidation and COVID-19 related campus closures, contributing factors were:

- Remedial works on large historic leaks
- Installation of new equipment with lower consumption

65%
reduction

Focus on the heart of the Mt Albert campus

Unitec's physical learning environment is also changing. Over the past two years, the Mount Albert campus has consolidated into a small number of purpose-built buildings at the southern end of the campus, focused around 'Te Puna', or the Student Central building. A highlight has been the relocation of the Supported Learning Team staff and ākonga from an outlying pre-fab to the heart of campus. Unitec's supported ākonga are now well connected to centralised services and are an active, highly visible part of the fabric of ākonga life.

The School of Architecture has moved from its historic home in Building 1 at the northern end of the campus, and is now in a self-contained teaching, learning and exhibition space in Building 48.

Unitec Pathways College has relocated its learning spaces and workshops to a dedicated space in Building 108, providing ākonga with state-of-the-art facilities and optimal experiences as they venture into learning within a tertiary environment, and transitioning to tertiary studies in the future.

Further refurbishment work on Building 108 started in October 2020, in preparation for the Creative Industries ākonga who will move into the remodelled studio and workshop space in Spring 2021.



Financial Overview

With the introduction of the Education (Vocational Education and Training and Reform) Amendment Act 2020, Unitec has had to divide the trading year into two periods. These Financial Statements cover the performance of Unitec for the period from 1 April to 31 December 2020. Separate Financial Statements were prepared and audited for the period 1 January to 31 March 2020.

As a new organisation there are no comparative figures included in these Financial Statements, but budget comparisons are provided where required. These are based on an apportionment of the full year budget for 2020 approved by Unitec's former Commissioner.

As shown on the table below, the operating surplus for the full twelve months is \$5.7m favourable to budget. This is a very positive result despite the disruptions due to COVID-19.

The impacts of COVID-19 are covered under Note 24 of the financial statements, but in summary these are a reduction in international income and additional costs required for PPE and staff cover, which were offset by savings in other areas. However, the key reasons for the positive result is that domestic ākonga numbers were higher than budgeted, other expenses \$4m lower than budget, and the positive impact of no clawback on Government funding.

	Full Year			Full Year		
	2020 Actual	2020 Budget	Variance F/(U)	2020 Actual	2019 Actual	Variance F/(U)
EFTS						
Domestic SAC	4,811	4,676	135	4,811	5,041	(230)
International	704	1,033	(329)	704	1,116	(412)
Total EFTS	5,515	5,709	(194)	5,515	6,157	(642)
\$'000						
TEC Funding	54,961	48,648	6,313	54,961	49,803	5,158
Domestic Tuition Fees	25,059	25,828	(769)	25,059	25,106	(47)
International Tuition Fees	13,795	17,118	(3,323)	13,795	21,471	(7,676)
Other Income	8,345	9,012	(667)	8,345	9,492	(1,147)
Total Revenue	102,160	100,605	1,555	102,160	105,873	(3,713)
Labour Costs	73,387	73,949	(562)	73,387	74,586	(1,199)
Other Expenses	26,333	29,940	(3,607)	26,333	28,932	(2,599)
Total Operating Expenditure	99,720	103,889	(4,169)	99,720	103,517	(3,797)
Operating Surplus/(Deficit)	2,440	(3,284)	5,724	2,440	2,355	85
Redundancies	345	300	45	345	909	(564)
Net Interest (Income)/Expense	742	533	209	742	114	628
Other (Income)/Expense	(61)	0	(61)	(61)	(3,401)	3,340
Surplus/(Deficit) before Depreciation	1,414	(4,117)	5,531	1,414	4,734	(3,320)
Depreciation and Amortisation Expenses	10,271	19,655	(9,384)	10,271	16,213	(5,942)
Net Surplus/(Deficit)	(8,857)	(23,772)	14,915	(8,857)	(11,480)	2,623

Statement of Service Performance

Ngā Tohu

Paearu Mahi

Statement of the cost of outputs

The Institute's activities contribute to three broad classes of outputs. These outputs are learning and teaching, research and scholarship, and engagement with communities.

The following table outlines the cost of providing these outputs.

Outputs	2020	2020	2019	2019
	Actual \$000s	Budget \$000s	Actual \$000s	Actual restated \$000s ¹
Learning and teaching	101,368	113,427	106,749	112,367
Research and scholarship	6,775	8,111	6,808	6,808
Engagement with communities	3,547	3,214	8,197	2,579
Total Cost of Outputs	111,690	124,752	121,754	121,754

Commentary

Decreased learning costs reflect our response to reduced International EFTS and reduced Semester 1 2020 Domestic EFTS, the outcome of which meant savings were made in both operating expenditure and staffing costs. However, this wasn't at the expense of our community outputs which were both up on budget and the prior (restated) year. Unitec has invested heavily in growing our priority Under 25 students and our industry engagement and alumni networks.

During 2020, the Unitec Pathways College team expanded on its work with Under 25s with the development of new partnerships and activity to connect and transition them into tertiary education. Four new secondary schools and two further Kura Kaupapa Māori joined as partners in Vocational Pathway and Trades Academy delivery, providing opportunities to connect their young people with tertiary education while still enrolled in secondary education. The inaugural Intermediate Big Day Out was delivered to Henderson Intermediate, West Auckland's second largest Intermediate School and saw more than 200 Year 8 students learn about tertiary pathways in hands-on, engaging activities. This year's Year 9 and 10 Go Live Week saw nearly 1,000 young people from Central, North and West Auckland spend a day on campus; 400 more than in 2019. The team's response to COVID-19 saw innovative flips of face-to-face activity transitioned into the online space, including going live on Facebook during Alert Level 3 to share Mataaho and our trades training facilities with a wide-ranging audience. More than 16,000 people engaged with the Facebook Live event.

Appropriation Statement

Support for Unitec Institute of Technology

Unitec is required to present end-of-year performance information for reporting on the 2019/20 appropriations. This report is for the year ended 30 June 2020.

Scope of Appropriation

This appropriation is limited to providing a loan facility for Unitec to support its cash flow and manage normal operations and restructuring costs.

Purpose of Appropriation

This appropriation is to achieve the continued operation of the Unitec Institute of Technology, providing continuity for students and staff while reviewing options for the future.

End of year performance reporting

Performance Measure	2018/19		2019/20	
	Budget Standard	Actual	Budget Standard	Actual
Unitec Institute of Technology submits quarterly reports which show that it is meeting the performance targets that were agreed as part of the concessionary loan agreement with the Crown.	Achieved	Achieved	Achieved	Achieved

An interest-free concessionary loan facility of \$50 million was provided to Unitec. \$35 million was appropriated in 2018/19 and \$15 million was appropriated in 2019/20.

Performance Measure 1

A more highly skilled, innovative, and enterprising New Zealand workforce

Performance Measures

	2017	2018	2019 ²	2020	Target
Graduates Employed, Studying, or Combining (GESC)³	86%	85%	82%	79%	85%
Qualifications Conferred	3,914	4,684	3,082	2,459	NT

Commentary

In 2020, the percentage of Graduates Employed, Studying or Combining dropped by 3.6% from 2019, due to a 7.5% drop in the percentage employed which was partially offset by a 3.9% increase in the percentage of people in Higher Study. The result is believed to have been impacted by COVID-19 as the data was gathered in May 2020 during the COVID-19 lockdown.

In addition to declining student numbers, the decline in qualifications conferred is partly due to a change in the enrolment pattern for 2020 with more EFTS enrolling in Semester 2 who are unlikely to qualify until after this year, and partly due to an increase in SAC and international students studying programmes requiring more than one year to complete. The number of qualifications conferred can only be finalised after April once all graduation results are known.

¹ Restated to use 2020 methodology. In 2019 we included an allocation of 5% learning and teaching costs to the engagement with communities output. From 2020 we have not done this allocation. Even though a large component of learning and teaching costs involve a community element, it is hard to quantify.

² These figures have changed as reported in the 2019 Annual Report. The figures reported in the 2019 Annual Report were a snapshot during the time of the Annual Report.

³ In 2020, a total of 3,123 surveys were sent with 1,158 responses received. At a response rate of 37.1%, the margin of error is 2% with a 95% confidence interval.

Performance Measure 2

Highly employable and enterprising life-long learners

Performance Measures	2017	2018	2019	2020 ⁴	Target
Student First Year Retention Rate (SAC)	66%	67%	67%	69%	67%
Māori	59%	62%	62%	67%	60%
Pacific	58%	54%	60%	66%	59%
Under 25	65%	68%	67%	72%	66%

Commentary

The improvement in first year retention rates at a total level and the significant improvement amongst our priority segments is attributed to the Student Success initiatives implemented in 2020 as part of the Manaakitia te Rito Renewal Strategy. In particular, the Learner Outreach Project which began in late 2019 as part of the drive to reduce non-completions across the institute, actively tracks and monitors our learners with the particular focus on our Priority Group learners and students at high risk. The early risk assessment provides an ability to target resources to support high and medium risk learners. Predictive data evidence is starting to show trends that will help us focus further on critical areas in 2021. Academic and support staff are collaborating to assist in the retention and success of learners by proactively approaching pastoral care and support across the Schools and referring students to appropriate support services as and when required.

Performance Measures	2017	2018	2019 ⁵	2020 ⁶	Target
Course Completion Rates (SAC All)	82%	81%	82%	75%	79%
Māori	75%	74%	74%	67%	72%
Pacific	70%	71%	72%	66%	68%
Under 25	78%	77%	78%	73%	77%

Commentary

The 2020 results are interim only and show declines on the prior year due to courses having grades that are not processed at the time of reporting. The Course Completion Rates for courses that have had grades processed only (which is an estimate of the final rate once all grades are completed) show positive trends (SAC All - 82%; Māori - 74%; Pacific - 72%; Under 25 - 78%).

⁴ 2020 First Year Retention Rates are not final.

⁵ These figures have changed as reported in the 2019 Annual Report. The figures reported in the 2019 Annual Report were a snapshot during the time of the Annual Report.

⁶ 2020 Course Completion Rates are not final.

Performance Measures	2017	2018	2019	2020 ⁷	Target
External Research Income (ERI) (000s)	\$1,014	\$581	\$2,486	\$2,063	\$1,172
Quality assured research outputs	657	404	416	293	376
Industry funded research and enterprise projects	23	74	61	38	35

Commentary

In 2020, Unitec successfully completed and delivered the outcomes of a number of substantial externally funded projects and hence the External Research Income target was exceeded by 76 percentage points. The establishment of the new Kaupapa Māori Research Centre, Ngā Wai a Te Tūi, at Unitec in 2019 contributed significantly to this growth. This demonstrates that the continued support of Unitec research by external partners is very positive.

The 2020 quality assured research outputs are below the target value. As explained, the research output data is a snapshot at a particular point in time. These numbers are down because staff have not yet fully reported their research activity into the Research Output Management System; the figures will increase later in the year. The 2020 data will be updated in the 2021 Annual Report. As an example of this influence, the 2019 research outputs were updated and are 61 more than the number that was reported (355) in the 2019 Unitec Annual Report. The other factor that affected the decline in the quality assured research outputs data is the COVID-19 pandemic. Due to this, staff in many cases were not able to disseminate their research outputs as planned.

The 2020 Industry Funded Research Projects target was exceeded. Despite exceeding the target, the 2020 figure was 23 less than the 2019 figure. As indicated above, this will also be influenced by the COVID-19 pandemic. The building of research relationships with industry and developing partnerships with external organisations is continuing to grow, fuelled by the formation of groups such as the Environmental Solutions Research Centre.

Performance Measures	2017	2018	2019	2020	Target
Student Net Promoter Score	3	-3	12	23	NT

Commentary

Unitec's student Net Promoter Score (NPS) continues the trend of improvement with a score of 23 in Semester 2 2020, the fourth consecutive semester where the score has improved and a year where COVID-19 dominated. All priority group scores are also up on Semester 2 2019, most notable for Māori students where the score increased 21 points on last year. Again, this improvement is attributed to the Manaakitia te Rito Renewal Strategy, for which the number one priority is to improve the success of all learners, achieving parity for Māori, Pacific and Under 25s by 2022, enhancing international learner success, and serving the educational needs of the West, Central and North Auckland communities. The successful implementation of the I See Me Student Success initiatives has been one of the enablers of restoring student confidence in Unitec.

The results shown here come from the Semester 2 Student NPS survey, which is sent to all students enrolled in formal programmes with Unitec in Week 6 of the semester. The response rate in Semester 2 2020 was 30% overall and this gave a sample size of n=1,815. The NPS metric is calculated as per the industry standard for NPS whereby our students rate how likely they are to recommend studying at Unitec to a friend, colleague or family member on a scale where 0=not at all likely and 10=extremely likely. The Student NPS is the proportion of students who rate 9-10 minus the proportion who rate 0-6.

⁷ Research output data is a snapshot at a point in time. Final 2020 data will be updated in the 2021 Annual Report. The 2019 research output for the full year is included as 416, when it was previously reported as 355 in the 2019 Annual Report.

Performance Measure 3

Engaged and inspired staff equipped with capabilities for our future

Performance Measures	2017	2018	2019	2020 ^a	Target
Staff Engagement	60%	65%	79%	84%	55%

Commentary

The staff engagement surveys undertaken in February and August 2020 indicate that staff engagement continues to improve over the past three years with an increase to 84% in August 2020, the highest level shown since the survey began in 2014.

The increase has been driven by continued improvements across all areas at Unitec with particular growth shown in the assessment of the performance of Executive Leadership, Communications and Change Management, and Career and Professional Development opportunities.

This improvement is attributed to the successful implementation of the Manaakitia te Rito Renewal Strategy which prioritises the engagement and inspiration of staff, supported with initiatives focused on ensuring that staff are proud to work at Unitec and equipped with the capabilities to support quality learning. Some of the key initiatives for 2020 included ensuring visible inclusive leadership at all levels, developing a diversity and inclusion strategy and embedding the Code of Conduct and Speak Up process.

Performance Measure 4

A financially sustainable Unitec

Performance Measures	2017	2018	2019	2020	Target
Domestic EFTS	6,407	6,246	5,041	4,811	5,276
Māori Participation	12.4%	13.0%	10.1%	11.4%	13.4%
Pacific Participation	18.0%	18.0%	15.5%	18.5%	18.0%
Under 25 Participation	50.2%	49.0%	46.5%	53.0%	51.2%
International EFTS	2,035	1,652	1,116	704	1,487
Total EFTS	8,442	7,897	6,157	5,515	6,763
EBITDAR to Total Revenue	1.1%	2.5%	3.1%	2.1%	0.0%

Commentary

Domestic EFTS continued to fall in 2020 due to the positive economic climate and good employment prospects at the start of the year. However, Semester 2 experienced strong and increased demand due in part to the additional Government funding offered for Targeted Training and Apprenticeship Fund (TTAF) courses; and the recessionary impact witnessed with the ongoing lockdowns associated with COVID-19.

However, while EFTS numbers fell short of target and the prior year, we experienced strong demand in our priority areas: Māori, Pacific and Under 25 learners. At a time of significant financial constraint, Unitec ring-fenced critical resourcing for teaching and support in key areas; specifically in establishing a team of priority group directors, Kaihautū and Pacific Navigators which strengthened the support of Unitec's parity stretch targets and priority group learner success.

International EFTS dropped significantly from the prior year due to the borders remaining closed for the majority of 2020, with a large population of our new and returning students unable to enter New Zealand. With our (then) current NZQA category rating we were unable to deliver online offshore, however with the change to a strong Category Two provider in late 2020 this issue has been resolved.

^a 627 staff completed the 2020 survey which equates to a response rate of 72%.

Governance Report

Te Pūrongo Mana
Whakahāere

Governance Report

Legal Status

For the period up to and including 31 March 2020, Unitec Institute of Technology was a polytechnic established under the Education Act 1989 (the Act). As of 1 April 2020, Unitec New Zealand Limited (Unitec) is a subsidiary of Te Pūkenga - New Zealand Institute of Skills and Technology, constituted in accordance with Part 1, Subpart 5 of Schedule 1 of the Education and Training Act 2020 (the Act). Unitec is also a Crown Entity for the purposes of Schedule 4 of the Crown Entities Act 2004.

Governance Structure

The governing body of Unitec is the Unitec board of directors (Board). It comprises seven members appointed in accordance with Part 1, Subpart 5 of Schedule 1 of the Act.

The Chief Executive has an advisory group named Te Rūnanga o Te Whare Wānanga o Wairaka supporting Māori. The group also monitors performance around Unitec's obligation to the Treaty of Waitangi, Te Noho Kotahitanga partnership agreement and the Māori Success Strategy.

The Board has also retained the Fono Faufautua Pacific Committee to support Unitec with its duties and obligations to Pacific students. The Fono also monitors progress against the Pacific Success Strategy.

Governance Philosophy

The Board considers and approves the mission and strategic direction of Unitec and monitors performance against agreed strategies and plans. Management, on the other hand, is responsible for the leadership of Unitec and develops the procedures and operational plans that are needed to implement and deliver the Board's approved strategy.

While many of the Board's functions have been delegated, overall responsibility for maintaining effective systems of internal control ultimately rests with the Board. To ensure that there is clarity around responsibilities and accountabilities, the Board has a detailed delegations framework in place.

Both the Board and Management acknowledge their responsibilities by certifying 'The Statement of Responsibility' (in terms of the Crown Entities Act 2004) contained within this Report.

Board and Standing Committee Attendance

For the period from 01/04/2020 to 31/12/2020

Name	Board		Audit & Compliance		CE People and Culture Committee	
	Held	Attendance	Held	Attendance	Held	Attendance
Peter Winder (Chair)	9	9	2	2	1	1
Steven Renata	9	9	2	2	0	0
Peter Parussini	9	9	0	0	1	1
Monique Cairns	9	9	2	1	0	0
Ziena Jalil	9	8	0	0	1	1
Robert Reid	9	9	2	2	0	0
Fale Andrew Lesa Alternate member A&C	9	9	2	1	0	0

Eight ordinary Board meetings were held, one extraordinary Board meeting, two Audit & Compliance Committee meetings, and one Chief Executive, People and Culture Committee meeting.

Name	Actual 2020
Peter Winder (Chair)	\$29,891.25
Steven Renata	\$14,943.78
Peter Parussini	\$14,943.78
Monique Cairns	\$14,943.78
Ziena Jalil	\$14,943.78
Robert Reid	\$14,943.78
Fale Andrew Lesa	\$14,943.78

Unitec New Zealand Limited

Disclosure of Interest Register

Name	Interest	Nature of Interest	
Peter Winder (Chair)	McGredy Winder & Co Ltd	Director / Shareholder	
	The Sound of Music Education Ltd	Director / Shareholder	
	Manukau Institute of Technology Ltd	Director and Chair	
	State Services Commission, Risk and Audit Committee	Member	
	McGredy Winder Family Trust	Trustee & Beneficiary	
	Council of NZ Institute of Skills and Technology	Member	
Peter Parussini	ANZ Bank New Zealand Limited	Employee	
	Southern Cross Campus	Chair	
	Southern Cross Campus Foundation	Trustee	
	Australian Institute of Company Directors	Member	
	Radio New Zealand	Governor	
	Latisana Family Trust	Trustee & Beneficiary	
	Lignano Ltd	Shareholder & Director	
	Manukau Institute of Technology Ltd	Director	
	Monique Cairns	The New Zealand Home Loan Company Limited	Deputy Chair
		SPCA Auckland	Independent Director
The Northern Club		Committee Member	
NZ Institute of Directors		Member	
Australian Institute of Company Directors		Member	
Caribou Consulting Limited		Executive Director	
Auckland Art Gallery		Member	
Monstar Trust		Trustee & Beneficiary	
The Almo Trust		Trustee & beneficiary	
The Kaihere Trust		Trustee	
Cairns Family Trust		Beneficiary	
BoatCo R3500-5 Limited		Shareholder	
Manukau Institute of Technology Ltd		Director	
Robert Reid	FIRST Union	President	
	The Southern Initiative (Auckland Council)	Consultant	
	Auckland interim Regional Skills Leadership Group	Co-chair	
	UnionAID	Trustee	
	Manukau Institute of Technology Ltd	Director	
	Ziena Jalil	Auckland Tourism, Events and Economic Development (ATEED)	Director
Cancer Society Auckland Northland		Board Member	
Athene Collaborative Limited		Director / Shareholder	
New Zealand Asian Leaders		Advisory Board Member	
Global Women		Member	
NZ Institute of Directors		Member	
Manukau Institute of Technology Ltd		Director	
Fale Andrew Lesa	Auckland Conservation Board	Member	
	Child & Youth Mortality Review Committee	Member	
	Oranga Tamariki	Senior Advisor	
	Auckland Council's Rainbow Communities Advisory Panel	Member	
	Philanthropy New Zealand	Member	
	Manukau Institute of Technology Ltd	Director	
	Steven Renata	Kiwa Digital	Co-Owner/Chief Executive
INNOV8HQ		Co-Owner/Director	
Unitec Rūnanga Advisory Committee		Member (2018)	
NZDIA		Member	
Mangaiti Marae		Trustee	
Manukau Institute of Technology Ltd		Director	

Shared governance strengthens opportunities for further growth

Part of the transition to the new national institute (Te Pūkenga) on 1 April 2020 was a shared governance structure for Unitec and MIT.

Unitec Commissioner Murray Strong and the Unitec Advisory Committee stepped down from their roles on 1 April 2020, and handed over to the new joint subsidiary Board of Directors, chaired by Peter Winder.

A shared governance structure enables a whole of Tāmaki Makaurau approach, allowing both institutions to stand alone but also be stronger together, and better equipped for future growth and partnership opportunities, while at the same time improving the experience and accessibility of education choices for students.

In August 2020, Unitec's Interim Chief Executive Merran Davis was named as the new Deputy Chief Executive, Transition and Transformation, at Te Pūkenga.

With Merran's departure from Unitec, the Board named Gus Gilmore, chief executive of MIT, as the new joint chief executive of Unitec and MIT. In making the appointment, chair Peter Winder acknowledged the unique differences between Unitec and MIT in culture, history and mixes of provision, saying that, "diversity is critical to ensuring that we can together meet the vocational education needs of Auckland."

As part of further transition to the new Te Pūkenga model, an executive restructure to introduce a combined MIT/Unitec management structure started in November 2020. Designed to provide the best opportunities for student success across all Tāmaki Makaurau, it resulted in new executive roles and office holders for 2021.

Equal Educational Opportunities

Through its Manaakitia te Rito strategy, Unitec is committed to providing an environment where all students have an equal opportunity to achieve their academic potential and ensure no unreasonable barriers are created which could prevent them from gaining access to education and training. Unitec places particular emphasis on the elimination of barriers that result in under-representation in tertiary education. Although the COVID-19 pandemic presented challenges during 2020, the Institute was able to respond in a manner that ensured student outcomes were maintained at a high level.

Financial support

In 2020, the Institute provided 153 scholarships, as well as various other fees and grants supporting community initiatives and supporting the transition of students into tertiary study. The Institute's financial commitment in 2020 to these scholarships was \$376,722. The Government's Fees Free policy means that most scholarships are applied to the students' second year of study, hence creating a timing lag in much of this expenditure.

Students were severely impacted by COVID-19 disruptions in 2020. To counter this, Unitec provided and facilitated financial support including:

- Hardship support of \$28,827 for food, vouchers and technology
- TEC's COVID-19 Hardship Fund for Learners (HAFL) supporting 121 students with payments of \$242,260
- TEC's Technology Access Fund for Learners (TAFL) supporting 120 students with laptops worth \$230,000

Access4Success Disability Service

Disability support at Unitec delivers integrated and specialist support to registered students who identify with permanent, recurring and temporary disabilities. Support systems are individually designed through individual access plans to ensure equal opportunity, flexibility and access to all aspects of tertiary life for students with disabilities.

In 2020, Unitec supported 189 students through its Access4Success Disability Service. Unitec's Access Coordinators work in partnership with students with disabilities to identify strengths and potential barriers to learning and participation at Unitec. The Institute provides resources such as note takers, New Zealand Sign Language Interpreters and Assistive Technology advice, as well as processing exam accommodation requests such as extra time and separate rooms. Unitec's Coordinators advocate on behalf of students and liaise with academic staff and other support networks both internal and external to Unitec.

Amenities, Events and Support Services

Unitec provides a range of amenities, events and support services for all students. This includes helping students plan and prepare for their careers while studying and after they graduate with career and employability workshops, CV and cover letter assistance and one-to-one appointments. Other specialist areas include:

- **Chaplaincy Services:** The multi-faith chaplaincy service provides an inclusive and holistic approach to spirituality. The team of volunteer chaplains support students and staff of all faiths, as well as those with no particular faith.
- **International Support Services:** The International Support Services team helps international students in areas such as visa and insurance support; general academic advice and pastoral support; and advice on tuition fees, accommodation, international refunds and settling into life in New Zealand.

- **Learning Advisors:** Learning Advisors work in partnership with students to develop learning skills in the areas of academic reading, writing and referencing; assistance with language studies; Maths, Statistics, Physics, Chemistry, Biology; Māori academic success and Pacific academic success.
- **Pacific Centre:** The Pacific Centre assists Pacific students seeking pastoral support, financial support and scholarship advice. It also runs Pacific Orientation, Pacific Fanau Evenings and has spaces for study or to hang out with other students.
- **Maia Centre and Te Noho Kotahitanga Marae:** Unitec's Maia Centre offers a range of kaupapa Māori, academic, cultural and pastoral support services for students at Unitec, while Te Noho Kotahitanga marae, at the heart of the Mt Albert campus, hosts regular events, wānanga, lectures and social events. All new students, staff and guests are welcomed to Unitec with a pōwhiri at the marae.
- **Subject Librarians:** This team of specialist subject librarians assists with research support, information literacy, including identifying, locating and using information; journal article and web searching; quick help with referencing and ethical use of information; as well as curating the Library's collection.
- **Te Puna Waiora:** Te Puna Waiora health clinic offers a wide range of health and wellness services for domestic and international students and staff. It has nurses and doctors on site, as well as mental health advisors who can support students who are living with mental health conditions.
- **Unitec Early Learning Centre:** A community learning centre for pre-school children located on Unitec's Mt Albert campus. This is a well-equipped, purpose-built facility staffed by qualified teachers and supports a number of parents who study at Unitec.

Financial Statements

Pūrongo Pūtea

Pūrongo Takiwā 31 Hakihea 2020

Independent Auditor's Report

To the readers of Unitec New Zealand Limited group's financial statements and statement of service performance for the period ended 31 December 2020



The Auditor-General is the auditor of Unitec New Zealand Limited group. The Auditor-General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance, including the performance information for an appropriation, of the group on his behalf.

Opinion

We have audited:

- the financial statements of the group on pages 60 to 90, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, 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 group on pages 41 to 47.

In our opinion:

- the financial statements of the group on pages 60 to 90:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2020; and
 - the financial performance and cash flows for the period then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards.
- the statement of service performance on pages 41 to 47:
 - presents fairly, in all material respects, the group's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 31 December 2020, including:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriate or forecast expenses or capital expenditure; 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

Note 19 on page 83 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 Unitec New Zealand Limited will be transferred to Te Pūkenga.

Impact of COVID-19

Note 24 on page 88 outlines the impact of COVID-19 on the group.

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 group 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 group 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 group for assessing the group'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 group 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, the Crown Entities Act 2004 and the Public Finance Act 1989.

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.

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:

- Commissioner approved budget for the financial statements; and
- Investment Plan for the statement of service performance.

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 group'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 group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 group 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 obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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 4 to 39, 50 to 54, 59, 92 and 93, 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 group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we provided a report on the group's performance-based research fund-eligible external research income. This is compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in Unitec New Zealand Limited or any of its subsidiaries.



Karen MacKenzie

Audit New Zealand

On behalf of the Auditor-General

Auckland, New Zealand

Statement of Responsibility

For the period ended 31 December 2020

The Board and management of Unitec New Zealand Limited are responsible for the preparation of the Unitec New Zealand Limited Group's Financial Statements and Statement of Service Performance and for the judgements made in them.

The Board and management are responsible for any end-of-year performance information provided under Section 19A of the Public Finance Act 1989.

The Board and management of Unitec New Zealand Limited are 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 reporting.

In the Board and management's opinion, these Financial Statements and Statement of Service Performance fairly reflect the financial position and operations of the Unitec New Zealand Limited Group for the period ended 31 December 2020.



Peter Winder
Board Chair



Monique Cairns
Director



Gus Gilmore
Chief Executive

29 April 2021

Statement of Comprehensive Income

For the nine month period ended 31 December 2020

	Note	Actual 2020 Apr-Dec \$'000	Budget 2020 Apr-Dec \$'000
Operating Revenue			
Government grants	2(a)	1,957	25,082
Student tuition fees	2(b)	20,163	18,759
Student services fees	2(d)	726	841
Other revenue	2(c)	5,581	6,852
Total Operating Revenue (excluding finance revenue)		28,426	51,534
Operating Expenditure			
Personnel costs	3(a)	57,015	57,460
Depreciation and amortisation	9&10	6,964	14,654
Administration costs and other expenses	4(b)	18,451	22,260
Total Operating Expenditure (excluding finance costs)		82,430	94,375
Surplus/(Deficit) before net finance costs		(54,003)	(42,842)
Finance revenue		403	281
Finance costs	4(a)	(1,047)	(719)
Net Finance revenue/(costs)		(645)	(438)
Net Surplus/(Deficit)		(54,648)	(43,279)
Other comprehensive revenue and expense			
Revaluation movements in property, plant and equipment		70,604	-
Total other comprehensive revenue/(expense)		70,604	-
Total comprehensive revenue/(expense)		15,956	(43,279)

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 23.

Statement of Financial Position

As at 31 December 2020

	Note	Actual Dec 2020 \$'000	Budget Dec 2020 \$'000	Opening Balance 1 Apr 2020 \$'000
Assets				
Current Assets				
Cash and cash equivalents		32,417	32,756	44,502
Trade and other receivables	5	12,124	5,198	49,622
Assets classified as held for sale	5	-	-	1,130
Inventories		468	328	32
Prepayments		1,522	1,776	2,121
Short term investments		6,000	-	-
Total current assets		52,531	40,058	97,407
Non-current assets				
Term Receivables	6	-	4,000	4,000
Property, plant and equipment	9	300,096	232,112	233,261
Intangible Assets	10	1,444	2,850	2,453
Assets under construction	9	7,325	1,301	2,255
Total non-current assets		308,866	240,263	241,969
Total assets		361,397	280,322	339,375
Liabilities				
Current Liabilities				
Trade and other payables	7	11,173	9,416	6,295
Revenue received in advance	8	6,060	12,229	18,290
Borrowings	11	21,900	21,276	21,276
Employee entitlements	3(b)	6,446	4,054	5,252
Provisions	12	-	261	227
Total current liabilities		45,579	47,235	51,340
Non-current liabilities				
Borrowings	11	24,566	26,399	14,876
Employee entitlements	3(b)	628	656	656
Provisions	12	716	480	480
Total non-current liabilities		25,910	27,535	16,012
Total liabilities		71,489	74,770	67,352
Net assets		289,908	205,552	272,023
Equity				
General Funds		124,495	109,812	176,283
Land revaluation reserves		119,487	49,787	49,787
Building revaluation reserves		45,925	45,953	45,953
Total equity		289,908	205,552	272,023

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 23.

Statement of Changes in Equity

For the nine month period ended 31 December 2020

	General Funds \$'000	Land Revaluation Reserve \$'000	Building Revaluation Reserve \$'000	Total \$'000
Current year				
Balance at 1 April 2020 (refer to Note 23)	176,283	49,787	45,953	272,023
Surplus/(Deficit) for the 9 month period	(54,648)	-	-	(54,648)
Movement attributable to current year revaluation	-	70,604	-	70,604
Total comprehensive revenue and expenses for the year	(54,648)	70,604	-	15,956
Transfers on disposal of property	904	(904)	(27)	(27)
Capital contributions from the Crown	1,955	-	-	1,955
Balance at 31 December 2020	124,494	119,487	45,925	289,908

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 23.

Statement of Cash Flows

For the nine month period ended 31 December 2020

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

	Actual 2020 Apr-Dec \$'000	Budget 2020 Apr-Dec \$'000
Cash flows from operating activities		
Cash was provided from:		
Government grants	39,889	41,647
Tuition fees	12,338	19,770
Interest received	443	-
Other operating receipts	5,366	13,198
	58,036	74,615
Cash was applied to:		
Payment to employees	55,125	56,804
Goods and services tax (net)	(3,280)	5,802
Interest paid	38	-
Payment to suppliers	15,858	26,678
	67,742	89,284
Net cash flows from operating activities	(9,706)	(14,669)
Cash flows from investing activities		
Cash was provided from:		
Sale of property, plant and equipment	1,200	1,200
	1,200	1,200
Cash was applied to:		
Purchase of property, plant and equipment	6,555	9,030
Purchase of intangible assets	361	-
Investment in short term deposits	6,000	-
	12,915	9,030
Net cash flow from investing activities	(11,716)	(7,830)
Cash flows from financing activities		
Cash was provided from:		
Capital injection	-	-
Loan raised	10,000	10,000
	10,000	10,000
Cash was applied to:		
Repayment of finance lease liabilities	664	1,288
Repayment of loans	-	-
	664	1,288
Net cash flow from financing activities	9,336	8,712
Total net cash flows decrease	(12,085)	(13,787)
Cash and cash equivalents at 1 April	44,502	46,543
Cash and cash equivalents at 31 December	32,417	32,756

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 23.

Statement of Cash Flows (Cont.)

For the nine month period ended 31 December 2020

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

	Actual 2020 Apr-Dec \$'000	Budget 2020 Apr-Dec \$'000
Surplus/(Deficit) before share of surplus of jointly controlled entities	(54,648)	(43,279)
Add/Less non-cash items:		
Depreciation/Amortisation	6,964	14,654
Impairment	-	-
Net (gain)/loss on disposal of non-current assets	1,485	-
Other Non-Cash Items	953	1,774
Increase/(Decrease) in non-current property provision	236	-
Increase/(Decrease) in non-current employee entitlements	(27)	-
Total non-cash items	9,609	16,428
Add/Less movements in working capital items:		
(Increase)/Decrease in inventories	(436)	-
(Increase)/Decrease in trade and other receivables	41,554	5,421
(Increase)/Decrease in prepayments	599	-
Increase/(Decrease) in trade and other payables	4,878	(3,217)
Increase/(Decrease) in revenue received in advance	(12,230)	9,728
Increase/(Decrease) in provisions	(227)	-
Increase/(Decrease) in current employee entitlements	1,194	249
Net movement in working capital items	35,333	12,181
Items classified as investing activities	-	-
Net cash flows from operating activities	(9,706)	(14,669)

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 23.

Notes to the financial statements

For the nine month period ended 31 December 2020

1 Group Information

The Group is comprised of Unitec New Zealand Limited (the Parent), and controlled entities Unitec Trust and Unitec Apprenticeship Training Trust (together the Group).

Group Financial Statements only are presented as there is no material difference between the Group and Parent Financial Statements. The impact of the controlled entities on the Group Financial Statements is presented in Note 16.

Unitec New Zealand Limited (the Institute) is a Crown entity subsidiary that is domiciled and operates in New Zealand. The Institute was established on 1 April 2020, therefore, the reporting period for the financial statements is for the nine months from 1 April 2020 to 31 December 2020. 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 the Institute's operations includes the Education and Training Act 2020, the Crown Entities Act 2004, and the Companies Act 1993. The primary objective of the Institute is to provide tertiary education services for the benefit of the community rather than making a financial return. The Parent and Group are public benefit entities for the purpose of financial reporting.

The financial statements of the Group are for the nine month period ended 31 December 2020, and were authorised for issue by the Board of Unitec New Zealand Limited on 29 April 2021.

2 Revenue

Revenue Recognition

Revenue is measured at fair value. Revenue is defined as either exchange or non-exchange. Revenue is classified as exchange when the value of goods or services provided is approximately equal to the value of the consideration received or to be received. Revenue is defined as non-exchange when the value of goods or services provided is not equal to the value of consideration received or to be received.

Non-exchange revenue is recognised when the terms and conditions associated with the revenue have been satisfied. Exchange revenue recognised reflects the percentage or stage of completion of supply of goods or services.

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.

Performance-Based Research Fund

The institute considers funding received from Performance-Based Research Fund (PBRF) to be non-exchange in nature. PBRF funding is specifically identified by the TEC as being for a funding period as required by section 425 of the Education and Training Act 2020. The Institute recognises its confirmed allocation of PBRF funding at the commencement of the specified funding period, which is the same as the Institute's financial year. PBRF revenue is measured based on the Institute'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.

Student Achievement Component 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. As a consequence, the Institute has not recognised any SAC funding during the nine-month period.

Fees-free revenue

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.

	Actual 2020 Apr-Dec \$'000
(a) Government grants	
Student Achievement Component funding	485
Performance-Based Research Fund (PBRF)	1,562
Youth Guarantee Fund	(45)
Māori & Pasifika Grant	-
Refugee Study Grant	214
Other grants	(259)
	1,957
(b) Student tuition fees	
Domestic student tuition fees *	8,872
International student tuition fees	11,291
	20,163
(c) Other exchange revenue	
Contract education	258
Copy centre	76
Consultancy and student projects	589
Research	1,080
Gain on sale of investments, property, plant and equipment	61
Revenue from other operating activities	3,516
	5,581
(d) Other non-exchange revenue	
Student services fee income	726
	726

* The Group presents funding received for fees-free study as part of Domestic student tuition fees, on the basis that receipts from TEC are for payment on behalf of the student as specified in the relevant funding mechanism. As at 31 December 2020, the full year approved funding of \$5.5m has been received and recognised.

3 Employee Costs

Wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled.

A liability for sick leave is recognised to the extent that absences in future periods are expected to be greater than the sick leave entitlements earned in the coming year.

A liability and an expense is recognised for bonuses and redundancy costs where contractually the Group is obliged or where past practise or circumstances have created an expectation that the Group will settle an obligation.

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated as the present value of the future expected cash flows.

	Actual 2020 Apr-Dec \$'000
(a) Personnel costs	
Salaries and wages	54,147
Employee benefits expenses	247
Employee entitlements expenses	2,479
Redundancies	142
	57,015
(b) Employee entitlements	
Current portion	6,446
Non-current portion	628
	7,074
Comprising of:	
Salaries and wages	477
Annual leave	5,466
Retirement leave	254
Long service leave	366
Sick leave	281
Redundancy provisions	230
	7,074
Redundancy provisions:	
1 April 2020	559
Provision for the period	230
Released	(61)
Utilised	(498)
31 December 2020	230

Employee remuneration

During the period, the following number of employees of Unitec received remuneration over \$100,000

Remuneration range	Employee count	Remuneration range	Employee count
\$100,000 - \$109,999	11	\$180,000 - \$189,999	-
\$110,000 - \$119,999	12	\$190,000 - \$199,999	-
\$120,000 - \$129,999	5	\$200,000 - \$209,999	-
\$130,000 - \$139,999	1	\$210,000 - \$219,999	-
\$140,000 - \$149,999	4	\$220,000 - \$229,999	1
\$150,000 - \$159,999	4	\$230,000 - \$239,999	-
\$160,000 - \$169,999	2	\$240,000 - \$249,999	1
\$170,000 - \$179,999	3	\$250,000 - \$259,999	1

4 Other Expenditure

	Actual 2020 Apr-Dec \$'000
(a) Finance cost	
Interest on borrowings	1,009
Finance lease interest	38
	1,047
(b) Administration costs and other expenses	
Audit fees - paid to principal auditor for parent and subsidiaries - current period audit	208
Audit fees - paid to principal auditor for parent and subsidiaries - prior period audit	-
Fees - paid to principal auditor for external research income assurance engagement	8
Bad debts expense/(recovered)	(206)
Change in provision for doubtful debts	(530)
Board Fees	120
Class Materials	1,297
Research	677
Operating lease charges	854
Net (gain)/loss on disposal of non-current assets	1,546
Other administrative expenses	14,478
	18,451

5 Trade and Other Receivables

All receivables are short term and are recorded at their face value less any provisions for impairment. Impairment is recognised where there is objective evidence that the debtor(s) are unable to make required payments.

	Actual Dec 2020 \$'000
Trade and other receivables	
Student fee receivables (non-exchange)	620
Trade receivables (exchange)	1,511
Accrued interest (exchange)	23
Less provision for impairment	(457)
Other receivables (see Note 6)	10,427
Government Grants	-
Total Trade and other receivables	12,124

Within other receivables is a balance of \$10 million that relates to the sale of land and buildings in 2018 to the Crown. This will be received when all the conditions and obligations of sale have been met.

The carrying value of trade and other receivables is considered materially consistent with fair value.

(a) Student fee receivables (non-exchange)	Actual Dec 2020 \$'000		
	Gross	Impairment	Net
1-30 days	145	-	145
31-60 days	43	-	43
61-90 days	25	-	25
>90 days	407	(422)	(14)
Total student fee receivables	620	(422)	199

(b) Trade receivables (exchange)	Actual Dec 2020 \$'000		
	Gross	Impairment	Net
1-30 days	1,142	-	1,142
31-60 days	9	-	9
61-90 days	3	-	3
>90 days	357	(36)	321
Total trade receivables	1,511	(36)	1,475

All receivables greater than 30 days in age are considered to be past due. The impairment assessment is performed on a collective basis, based on an analysis of past collection history and debt write-offs.

(c) Movements in the provision for Impairment are as follows:

	Actual 2020 Apr-Dec \$'000
Student fee receivables	
1 April 2020	907
Additional provisions made during the period	-
Release of provision during the period	(486)
31 December 2020	422
Trade receivables	
1 April 2020	80
Additional provisions made during the period	-
Release of provision during the period	(44)
31 December 2020	36

Assets classified as held for sale

There were no assets classified as held for sale as at 31 December 2020 (1 April 2020: \$1.13m).

6 Term Receivables

The prior period Term Receivable of \$4 million, being part of the remaining balance of \$10 million outstanding from the Crown in respect of the land and buildings sale completed 20 April 2018, has now been classified to Current Receivables, as payment in respect of this is expected to be received within the year.

7 Trade and Other Payables

Short term trade payables and creditors are recorded at their face value as they are non-interest bearing and generally settled within 30 days.

	Actual Dec 2020 \$'000
Payables under exchange transactions	
Trade payables	694
Other payables - accruals	6,575
	7,269
Payables under non-exchange transactions	
Taxes payable	3,904
	3,904
Total trade and other payables	11,173

The carrying value of trade and other payables is considered materially consistent with the fair value.

8 Revenue in Advance

Revenue received in advance is recognised when payment is received before goods or services are provided in the case of exchange revenue or before obligations are satisfied in the case of non-exchange revenue.

	Actual Dec 2020 \$'000
Exchange transactions	
International student fees received in advance	5,203
	5,203
Non exchange transactions	
Domestic student fees received in advance	857
	857
Total revenue received in advance	6,060

The carrying value of revenue in advance is considered materially consistent with the fair value.

9 Property, Plant and Equipment

Property, plant and equipment is measured initially at cost. This includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably.

Subsequent costs that meet the above criteria are added to the value of the item of property, plant and equipment.

Subsequent to initial recognition land is measured at fair value and buildings are measured at fair value less accumulated depreciation and impairment losses. All other assets are measured at cost, less accumulated depreciation and impairment losses.

	Land	Buildings	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Computer Equipment	Office Equipment	Library Collection	Total
Cost or valuation									
1 April 2020	57,690	162,770	14,465	10,734	1,373	13,248	682	7,097	268,059
Additions		1,019	185	51		2,309	7		3,572
Revaluation increase/(decrease)	70,604								70,604
Adjustments/Movement		1,130							1,130
Disposals	(1,100)	(30)	(516)	(2,157)	(30)	(1,368)	(59)		(5,260)
31 December 2020	127,194	164,889	14,134	8,628	1,343	14,189	631	7,097	338,104
Accumulated depreciation and impairment losses									
1 April 2020		5,547	6,936	3,662	1,333	10,868	613	5,838	34,798
Depreciation Expense		2,409	1,027	600	19	1,267	20	232	5,574
Eliminate on disposal		49	(184)	(843)	(30)	(1,305)	(45)	(7)	(2,364)
Eliminate on revaluation									-
Adjustments/Movement									-
31 December 2020	-	8,005	7,779	3,420	1,323	10,831	588	6,063	38,008
Carrying amounts									
1 April 2020	57,690	157,223	7,528	7,071	39	2,380	70	1,259	233,261
31 December 2020	127,194	156,885	6,355	5,208	20	3,358	43	1,034	300,096

Revaluations

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and occurs at least every three years. Revaluation movements are accounted for on a class-of-assets basis. Gains and losses are recognised in other comprehensive income, except in the event the loss exceeds the existing reserves. In such cases the loss is recognised in the surplus or deficit.

Land

The fair value of land at the Mt Albert campus was determined by management and the Board of Unitec New Zealand Limited, as at 31 December 2020.

The fair value of land at the Waitākere campus was determined using a 31 December 2018 valuation performed by Jones Lang LaSalle. This has not been revalued as at 31 December 2020 as it is not material.

Land is measured 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 to take into account required changes in zoning, or to obtain resource consents to enable the land to be used for its highest and best use.

Buildings

Buildings that are not specialised in nature are measured at fair value by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the consolidated entity, and to market based yields for comparable properties.

Where buildings are specialised in nature, fair value is determined on a depreciated replacement cost (DRC) basis. To determine DRC the following are considered:

- 1) The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for optimisation due to over-design or surplus capacity.
- 2) The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- 3) The remaining useful life of assets is estimated.
- 4) Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.
- 5) The estimated cost of earthquake strengthening has been deducted from the DRC.

Crown owned land and buildings

During 2017 the Crown transferred legal title of various land and buildings to the Institute. A term of this transfer is that Unitec is required to remit to the Crown 20% of any proceeds from disposal of the transferred land and / or buildings that occurs within five years of the transfer. Under the Education and Training Act 2020, the Institute is required to notify Te Pūkenga, who then obtains consent from the Secretary for Education, to dispose of land and buildings.

Restrictions on Title

Under the Education and Training Act 2020, the Group is required to obtain consent from the Ministry of Education to dispose of or sell property where the value of the property exceeds an amount determined by the Minister. There are also various restrictions in the form of historic designations, reserve, and endowment encumbrances attached to land. The Group does not consider it practical to disclose in detail the value of land subject to these restrictions.

Assets under construction

As at 31 December 2020 the Group was engaged in various construction and development projects that were not yet completed. These assets are classified as assets under construction. Once completed these assets will be transferred from assets under construction to the relevant property, plant and equipment or intangible asset category.

	Actual Dec 2020 \$'000
Buildings	5,135
Software	207
Fixtures and fittings	1,983
Total assets under construction	7,325

Finance leases

The carrying value of property, plant and equipment held by the Group under finance leases and hire purchase contracts at 31 December 2020 is \$2,598,000. This relates to computer equipment \$2,528,000 and plant and equipment \$70,000. Net increases on 1 April 2020 total \$1,298,000; \$1,327,000 increases relating to computer equipment and \$29,000 decreases relating to plant and equipment. The leased assets are pledged as security for the related finance lease and hire purchase liabilities.

Depreciation

Depreciation is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or fair value of the asset less any estimated residual value over its remaining useful life.

Asset Category	Useful Life
Buildings	5 - 80 years
Plant and equipment	10 years
Furniture and fittings	10 years
Motor vehicles	5 years
Computer equipment	4 - 10 years
Office equipment	3 - 20 years
Library collections	5 - 10 years

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds within equity.

Impairment of property, plant and equipment

Property, plant and equipment assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may 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 regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. 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.

10 Intangible Assets

Course development

Externally purchased courses are capitalised and amortised over a period not exceeding five years.

Internally developed courses are expensed unless very specific criteria is met, with regards to course materials being identifiable, able to be reliably measured, controllable, and generating future economic benefits.

Software

The Group holds several computer software packages for internal use, including purchased software and software developed in-house by the Group. Purchased software is recognised and measured at the cost. Developed software is recognised at the cost of development being primarily employee costs.

There are no restrictions over any intangible assets and no intangible assets are pledged as security.

	Computer Software	Total
Cost or valuation		
1 April 2020	27,244	27,244
Additions	387	387
Impairment	-	-
31 December 2020	27,631	27,631
Accumulated amortisation and impairment losses		
1 April 2020	24,791	24,791
Amortisation Expense	1,396	1,396
Impairment	-	-
31 December 2020	26,186	26,186
Carrying amounts		
1 April 2020	2,453	2,453
31 December 2020	1,444	1,444

Amortisation of intangible assets is recognised within depreciation and amortisation expense in the statement of comprehensive income. All intangible assets are amortised on a straight line basis over the following periods which is assessed to be their useful lives:

Course development	5 years (externally purchased courses only)
Computer software	3 - 10 years

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.

11 Borrowings

On 31 August 2018, the Institute entered into an unsecured Concessionary Loan Agreement with the Crown for up to \$50 million. This loan was established in accordance with the conditions of the Consent to Borrow granted by the Secretary for Education.

As at 31 December 2020, the Institute had drawn down total consideration of \$50m (Tranche A \$10m, Tranche B \$17m, Tranche C \$8m, Tranche D \$5m, Tranche E \$10m). The maturity date of each tranche is 10 years from their start dates, the start dates being 14 September 2018, 16 November 2018, 24 May 2019, 22 November 2019 and 12 May 2020.

The concessionary loan is recognised initially at fair value, based on the discounted future cash flows using a market related rate in interest for a similar loan. (Refer to note 20 for further details.) The difference between the fair value and the loan proceeds has been recognised as a capital contribution from the Crown.

The loan is subsequently measured at amortised cost and the carrying value adjusted for changes in the timing of future cash flows. Any adjustment to the carrying value due to changes in the timing of future cash flows is recognised directly in equity.

Leases are classified into two categories, finance leases and operating leases. Arrangements are determined to be finance leases if the arrangement transfers substantially all of the risks and benefits incidental to ownership of the leased item to the Group. Conversely, if the arrangement does not transfer substantially all risks and rewards to the Group it is classified as an operating lease.

If an arrangement is classified as a finance lease the assets held under the arrangements are recognised in the statement of financial position and classified as property, plant and equipment. A liability is also recognised. The asset and liability are initially recognised at the lower of the present value of the future lease payments and the fair value of the leased assets. Subsequent to initial recognition the assets are depreciated over their useful lives. The lease repayments are apportioned between interest and principle repayments.

	Actual Dec 2020 \$'000
Current Portion	
Borrowings/loans	21,000
Finance leases	900
Total current portion	21,900
Non-current portion	
Borrowings/loans	22,840
Finance leases	1,726
Total non-current portion	24,566
Total borrowings	46,466

Analysis of finance leases

	Actual Dec 2020 \$'000
Total minimum lease payments payable	
Within one year	957
After one year but not more than five years	1,781
Future finance charges	(112)
Total present value of minimum lease payments	2,626

The finance leases can be renewed at the Group's option, with rents set by reference to current market rates for items of equivalent age and condition. The group does have the option to purchase the asset at the end of the lease term, but it is likely the option to purchase will not be exercised because the leased assets are usually technologically obsolete at lease expiry. The Group is not permitted to pledge the leased assets as security nor can it sublease the leased equipment without the permission of the lessor. There are no other restrictions on the Group by any of the finance leasing arrangements.

12 Provisions

Provisions relate to future unavoidable costs valued at year end prices.

	Actual Dec 2020 \$'000
Current Provisions	
Other Provisions	-
Lease Make Good	-
Total current provisions	-
Non-Current Provisions	
Other Provisions	-
Lease Make Good	716
Total non-current provisions	716
Total provisions	716

The nature of the provisions are as follows:

- Other provisions relate to contractual commitments incurred by Unitec in the ordinary course of business which will be settled in the future.
- Lease Make Good provisions are in respect of leased premises where the Group is required at the expiry of the lease term to make good any damage and remove any fixtures and fittings installed by the Group.

(a) Movements in the provision are as follows:

	Actual Dec 2020 \$'000
Other Provisions	
1 April 2020	41
Released during the period	(41)
31 December 2020	-
Lease Make Good	
1 April 2020	700
Additional provisions made during the period	16
31 December 2020	716

13 Operating Lease Commitments

Operating leases as lessee

	Actual Dec 2020 \$'000
Non-cancellable operating lease commitments	
Land and buildings	
Within one year	196
Later than one year and not later than two years	162
Later than two years and not later than five years	178
Later than five years	-
	536

Operating leases as lessor

The Group has entered into commercial leases with tenants on land and buildings. These leases have a non-cancellable remaining term of two to 10 years.

	Actual Dec 2020 \$'000
Non-cancellable operating lease commitments	
Land and buildings	
Not later than one year	812
Later than one year and not later than two years	730
Later than two years and not later than five years	2,011
Later than five years	1,244
	4,797

No contingent rents have been recognised in the statement of comprehensive income during the year.

14 Commitments

Capital commitments

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

	Actual Dec 2020 \$'000
Buildings	8,623
Computer equipment	761
Computer software	-
Fixtures and fittings	-
Plant and equipment	-
Course development	-
Total capital commitments	9,384

15 Contingent Liabilities

From time to time the Group provides guarantees and is subject to certain personal grievance actions. As a result, costs could be incurred by the Group. At balance date there are no matters that would materially impact on the Group's financial position.

16 Unitec Controlled Entities

Unitec controls two entities. They are constituted as charitable trusts being Unitec Trust, and Unitec Apprenticeship Training Trust. The charitable purposes of the trusts are to further student education, achievement and employment.

	Actual Dec 2020 \$'000
Summarised statement of financial position	
Assets	
Current assets	329
Non-current assets	-
Total assets	329
Liabilities	
Current liabilities	-
Non-current liabilities	-
Total liabilities	-
Net assets	329
Summarised statement of financial performance	
Income	2
Expenses	-
Net surplus/(deficit)	2

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 the Institute 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 tertiary education institutions and undertaken on the normal terms and conditions for such transactions.

	Actual 2020 Apr-Dec \$'000
Board	
Remuneration	120
Full-Time Equivalent members	1
<hr/>	
Leadership Team	
Salaries and other short term employee benefits *	1,298
Full-Time Equivalent members	5.3
Total remuneration	1,418

* This includes salaries and other short term employee benefits for those members of the leadership team who have left Unitec during the period.

18 Board Fees

The following fees were paid to members of the Board:

	Actual Dec 2020 \$'000
Board Fees	
Peter Winder	30
Steven Renata	15
Peter Parussini	15
Monique Cairns	15
Ziena Jalil	15
Robert Reid	15
Fale Andrew Lesa	15
Total Board Fees	120

19 Basis of Preparation

Statement of compliance and 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 Unitec New Zealand Limited 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 Unitec New Zealand Limited 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.

Presentation, currency and rounding

The financial report is presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

20 Critical accounting estimates and assumptions, and judgements in applying accounting policies

The preparation of the Group's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

Estimating the fair value of land and buildings

The key assumptions used to determine the fair value of these non-financial assets are provided in Note 9.

Concessionary Loan

On 31 August 2018, Unitec and the Crown entered into a concessionary loan agreement for up to \$50 million at 0% interest. The terms and conditions of the loan state:

- Each Tranche is available during the availability period
- The final repayment date is 10 years after the drawdown date, unless prior repayment conditions have been agreed.

The following loan repayment terms were agreed with the Crown during 2019:

- Repayment by way of asset disposal proceeds for the period up until 2022;
- A cash sweep mechanism to enable surplus cash to be applied towards repayment over the three year period 2023 to 2025;
- Any remaining amount, if applicable, would be payable 10 years from the drawdown date of the relevant outstanding tranche.

Note 11 describes how this loan is accounted for, which is in accordance with PBE IPSAS 29 - Financial Instruments: Recognition and Measurement. The effective interest rates used to determine the fair value of each tranche of the Crown loan at initial recognition were between 3.97% - 2.03% depending on when Unitec expected to repay that tranche. These rates were derived using the two and ten year swap rates and applying a risk premium to estimate the market interest rates.

Judgements

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, the Group accounts for the funding as a capital contribution directly in equity.

Classification of concessionary loan

The Group has exercised judgement when classifying its concessionary loan as current or non-current based on when it expects to be required to make repayments as a result of asset disposals.

21 Financial Instruments

Financial instrument categories

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest rate method. All financial assets being cash and cash equivalents, term deposits, trade and other receivables and loans to joint ventures have been categorised as loans and receivables.

Financial liabilities being trade and other payables (excluding revenue in advance), borrowings and finance leases are categorised as financial liabilities measured at amortised cost.

The Institute does not hold any derivative financial instruments.

Financial instrument risks

The Group's activities expose it to a variety of financial instrument risks, including market risk, interest rate risk, credit risk and liquidity risk. The Group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure to those instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

The Group is subject to interest rate risk and foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Group manages this risk through the use of interest rate swaps, options and caps to fix interest rates on forecast future borrowings. The Group updates forecast cash flows and associated future debt levels on a short, medium and long term basis on a weekly and monthly basis to ensure sufficient interest rate cover is maintained.

Term deposits are made for periods less than, equal to, or greater than three months, depending on the Group's cash requirements, and earn interest at the respective short-term deposit rates.

Foreign exchange risk

Foreign exchange rate risk is the risk that the value of foreign currency denominated future cash flows will fluctuate due to changes in exchange rates. The Group manages this risk for significant commitments by fixing relevant future exchange rates with forward exchange contracts.

Sensitivity analysis

As at 31 December 2020, if the average interest rate on interest-bearing deposits over the year had been 100 basis points higher or lower, with all other variables held constant, the (deficit)/surplus for the nine months would have been:

Period ended	Higher	Lower
31 December 2020	361,761	(361,761)

Credit risk

Credit risk represents the risk that a third party will default on its obligations to the Group, causing it to incur a loss. Financial instruments which subject the Group to credit risk consist of bank balances, bank term deposits and trade and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Cash, deposits and derivatives are held with registered banks in New Zealand which are rated at least Aa2 by Moody's and AA - by Standard & Poor's.

The Group does not require collateral or security to support financial instruments. Trade receivables (at year end) relate to receivables from students and commercial debtors. Exposure to bad debts is not considered significant and is provided for at historic impairment rates.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. The Group mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

The Group has cash, short-term deposits and borrowings that it can use to meet its ongoing payment obligations.

The Group's creditors are mainly those reported as trade and other payables and borrowings. The Group will pay trade and other creditors within 30 days of incurring the liability. The contractual maturity of Borrowings and Finance leases are disclosed in Note 11.

The Secretary for Education has granted consent to allow Unitec to borrow up to \$50 million from the Crown through the form of a concessionary loan, subject to Unitec's adherence to conditions set out in the loan agreement.

22 Capital Management

The Group's capital is its equity, which is comprised of accumulated funds and revaluation reserves. Equity is represented by net assets.

The Group is subject to the financial management and accountability provisions of the Education and Training Act 2020, which impose restrictions on 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.

The Group manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings, to ensure that the Group effectively achieves its objectives and purpose, 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 to the Education and Training Act 2020. Each share carries one vote and an equal share in dividends and distribution of the Institute's surplus assets.

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 the Unitec Institute of Technology into the Unitec New Zealand Limited on 1 April 2020. On this date, the rights, assets, and liabilities of Unitec Institute of Technology vested in Unitec New Zealand Limited for no consideration.

Unitec New Zealand 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 Unitec Institute of Technology final disestablishment report as at 31 March 2020 were carried forward to become the opening balances for the Unitec New Zealand Limited statement of financial position at 1 April 2020. With the exception of the adjustments outlined below, no adjustments were made to the amounts reported as at 31 March 2020. The opening balances were adjusted for the write off of previously capitalised Course Development costs. The adjusted opening 1 April 2020 balances are presented in the statement of financial position.

Adjustments to carrying amounts of assets and liabilities at 1 April 2020

Previously recognised course development costs with a carrying value of \$3.096 million as at 1 April 2020 have been written off as an opening balance sheet adjustment at the commencement of this reporting period.

23 Major Budget Variances

The budget figures are derived from the Group's 2020 budget which were approved by the Commissioner in April 2020. The budget figures shown in the Financial Statements are for nine months to December 2020, and have been prepared in accordance with PBE FRS 42 using accounting policies consistent with those applied in preparing the December 2020 financial statements.

Explanations for significant variances from budget are as follows:

Statement of Comprehensive Income**Revenues**

Government funding adverse variance:

- impact of \$21m due to full year FY20 SAC funding recognised as at 31 March 2020, which was budgeted across the year.

Expenses

Personnel costs favourable variance:

- due to lower salaries and wages as FTE numbers were less than the budget and reversal of prior year bonus provisions. This was offset by a significant adverse holiday pay variance caused by COVID-19.

Depreciation and Amortisation favourable variance:

- the result of a detailed review of the fixed asset register and system depreciation calculations and course development expenses now being considered as operating expenditure.

Administration and other expenses favourable variances:

- reduced marketing, graduation and commission cost due to reduction in international students and cancellation in graduation ceremonies due to COVID -19.

Statement of Financial Position**Assets**

Increase in current assets over budget (with a simultaneous decrease in non current asset) due to movement of \$4 million Crown receivable from Term to Current as due within 12 months.

- Variance in non current assets includes the impact of course development and computer software amortisation, our property disposal of 10 Trading Place not budgeted for, and \$70.6m in respect of revaluation of land.
- Assets under construction shows additional capital spent on property projects, not completed due to delays caused by COVID-19.

Liabilities

Total Liabilities are comparable with budget.

Statement of Cash Flows**Cash from operating activities**

Net cash flows from operating activities were favourable to budget, with receipts reduced as a result of COVID-19, offset by lower personnel and other operating costs.

Cash from investing activities

Net cash flows from investing activities were comparable to budget.

Cash from financing activities

Net cash flows from financing activities were comparable with budget.

24 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 then remained in lockdown at Alert Level 3 until 13 May.

During this period, the Institute closed both campuses to staff and students. Most staff moved to a “work from home” model, and teaching was changed to online delivery.

After 13 May, when New Zealand moved to lower Alert Levels, students were able to attend classes on-site or continue to access classes remotely.

The effect on our operations is reflected in these financial statements based on the information available to the date these financial statements were approved.

The main impacts on the Institute’s financial statements due to COVID-19 are explained below. This includes information about key assumptions concerning the future and other sources of estimation uncertainty due to COVID-19.

Revenue

The TEC confirmed during March 2020 that 2020 funding for Investment Plans and Fees Free would continue, and that it would not recover 2020 funding because of either non-achievement of Education Performance Indicators or under-delivery during the 2020 year.

This provided the Institute with certainty that it could continue to deliver to students despite the disruption caused by COVID-19. As a consequence of this, Unitec recognised all the 2020 funding as revenue in its financial statements for the three-month period ended 31 March 2020.

Other revenues generated from rental income was impacted adversely due to the closure of the campus during Levels 3 and 4 where no rentals were charged to the tenants.

Students

The closure of our borders had a detrimental impact on our international student numbers for 2020, which were down over 400 EFTS on the prior year. However, domestic numbers for Semester 2 were buoyed on by the adverse economy and Government initiatives such as TTAF.

Suppliers

Suppliers were not adversely impacted except where services were to be delivered in lockdown. The impacts of lockdown meant that in some situations timing of delivery was delayed in line with amended course dates. Where required Unitec has acquired additional personal protective equipment to allow for both staff and students to comply with the COVID-19 restrictions in line with Government’s guidelines.

Unitec experienced long delays due to border closures where goods were sourced from offshore suppliers. This was mainly when sourcing IT equipment and other capital expenditure. ID cards used for students and attendance tracking were sourced from Wuhan, and therefore experienced considerable delays. Renewing staff laptop leases and student laptops under the TAFL funding was significantly impacted where stock was not in the country.

Employees

The impact on employees and productivity was minimal as courses were delivered online, and support services were also delivered via online mechanism. Where required Unitec altered working patterns or added additional staff to allow for COVID-19 restrictions in line with the Government’s guidelines.

Liquidity

The adverse impact on cash flows from lower international student numbers has been offset by higher than budgeted domestic student numbers and TEC waiving the 2020 funding wash-up requirements.

Property Asset fair value

The revaluation of Unitec land as at 31 December 2020 is showing an increase in property values. It is not known if any of this increase is directly attributable to COVID-19.

25 Significant events after balance date

Asbestos contamination

During the renovation of a small room on the Mt Albert campus in March 2021, air monitoring found higher than acceptable levels of asbestos. This led to wider testing of five connecting buildings, and friable (crumbled) asbestos was found on the outdoor maintenance balconies. The decision was made to proactively close all of the buildings as a precautionary measure following the test results. The buildings were sealed for further testing and remedial work and alternative accommodation was found for teaching and non-teaching spaces. It is anticipated that the remediation plan will take 12 weeks to complete. The estimated remediation cost is up to \$3.3 million.

The contamination was not related to the major renovation work being carried out on neighbouring Building 108. Extensive independent air quality monitoring has been conducted throughout the B108 project to ensure that the building itself and the surrounding areas are safe to occupy. The asbestos contamination source detected in the recently-closed buildings contains a different type of asbestos fibre to that being removed in B108.

Although the situation at Unitec is one where the potential level of risk to health is very low, staff and students have been offered health advice and access to free health services through Te Puna Waiora.

Based on Unitec’s asbestos management plan, along with the most recent assessment and inspections, Unitec is confident that its teaching spaces have been managed safely, and in line with best practice.

WorkSafe NZ was informed of the issue and Unitec’s response throughout, and has been highly supportive of the messaging and timeliness of this response.

26 Income tax and other taxes

Income tax

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

Goods and services tax (GST)

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

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

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

Cash flows are included in the statement of cash flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Appendix

Āpitihangā

27 Standards and amendments issued

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Institute and Group are:

Financial Instruments

PBE IFRS 9 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement, and is effective for financial years beginning on or after 1 January 2022. The Institute has not early adopted this amendment as it had originally planned to do, as it considers that there will be no impact on the Institute.

PBE IPSAS 41 establishes requirements for the recognition and measurement of Financial Instruments and when applied supersedes most of PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments. This Standard applies for annual periods beginning on or after 1 January 2022. The Institute does not intend to early adopt the amendment.

Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is mandatory for annual periods beginning on or after 1 January 2021. This Standard establishes new requirements for public benefit entities (PBEs) to select and present service performance information. The Institute does not intend to early adopt the amendment.

Cash Flows

An amendment to PBE IPSAS 2 Cash Flow Statements 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. The Institute does not intend to early adopt the amendment.

Combinations

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. The Institute 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.

1 Student services fee

In accordance with the Education and Training Act 2020, the Minister for Tertiary Education, Skills and Employment issues directions annually to providers relating to Compulsory Student Services Fees. Providers are required to comply with the Ministerial Direction, within given time frames and ensure there are appropriate mechanisms for enrolled students to be involved in specific aspects of the process.

The direction allows for a student services fee or levy to be charged for some types of services and includes requirements to account separately for these fees. Unitec complies with this aspect by using a unique separate general ledger account for student services.

It also requires institutions to report a description of the services funded out of the fee and a statement of the fee income and expenditure for each type of student service in the Institution's report as well as the levy charged per Equivalent Full Time Student (EFTS). The levy per EFTS in 2020 was \$356, and the accompanying tables provide an overview of the income and expenditure related to this.

The direction also requires providers to make decisions jointly or in consultation with students or their representatives on the amount of the fee, the types of services to be delivered, and how these are procured and how expenditure is authorised. Unitec consulted with students through the Unitec Student Council on these matters prior to providing a proposal to the Unitec Council for the setting and use of these fees for 2020.

FY2020 \$ Figures	Career Information, Advice and Guidance										Sports, Recreation and Cultural Activities	Total \$
	Advocacy and Legal Advice	Advice and Guidance	Counselling Services and Pastoral Care	Employment Information	Financial Support and Advice	Health Services	Media	Childcare Services	Clubs and Societies	Clubs and Societies		
Revenue	146,418	164,241	677,914	2,292	216,087	198,520	2,292	2,292	44,721	44,721	1,499,501	
Expenditure	285,543	320,300	1,322,056	4,471	421,410	387,151	4,471	4,471	87,215	87,215	2,924,301	
Net cost	(139,124)	(156,059)	(644,142)	(2,178)	(205,323)	(188,631)	(2,178)	(2,178)	(42,493)	(42,493)	(1,424,800)	

FY2019 \$ Figures	Career Information, Advice and Guidance										Sports, Recreation and Cultural Activities	Total \$
	Advocacy and Legal Advice	Advice and Guidance	Counselling Services and Pastoral Care	Employment Information	Financial Support and Advice	Health Services	Media	Childcare Services	Clubs and Societies	Clubs and Societies		
Revenue	145,549	152,541	726,106	7,284	118,928	330,510	2,391	2,391	52,502	45,661	1,583,864	
Expenditure	267,725	280,587	1,335,614	13,398	218,759	607,946	4,398	4,398	96,572	83,990	2,913,389	
Net cost	(122,176)	(128,046)	(609,507)	(6,114)	(99,831)	(277,436)	(2,007)	(2,007)	(44,071)	(38,329)	(1,329,525)	

Advocacy and Legal Advice

This is provided by Unitec Student Council representatives voted from the annual election. The Student Council advocates for students and their interests. This is an active demonstration of Student Voice in action.

Careers Information, Advice and Guidance

We provide both individual and group career workshops and guidance. We also facilitate key Career Development events such as the Volunteer Expo.

Counselling Services

We provide counselling services for concerns about study or personal matters, and also have mental health advisors for specialist support. We also facilitate proactive workshops to help build resilience.

Employment Information

We provide students with information about employment opportunities both full-time and part-time. Our Career Development team also maintains online job vacancies.

Financial Support and Advice

We provide a range of options to help students manage money effectively. These include tools, advice, workshops and hardship support.

Health Services

We provide on-site affordable and comprehensive healthcare through medical support from doctors, nurses and Community Health initiatives.

Childcare Services

We provide on-site affordable childcare centres with a range of options.

Clubs and Societies

We provide assistance to a wide range of clubs and societies. This is determined by students' needs and requests.

Sport, Recreation and Cultural Activities

We support a wide range of sports and cultural activities for students, especially around Orientation. This is determined by students' needs and requests.

As part of our commitment to Te Noho Kotahitanga, we continue to demonstrate Kaitiakitanga in our active role of Guardianship of this levy and the responsibility we have to students in our provision of services to support their success.

2 Key staff statistics

The figures included in the tables below relate to FY2020.

Ethnic Mix	
British/Irish	6.04%
Chinese	8.79%
Fijian	2.47%
Indian	8.42%
Māori	11.72%
NZ/European/Pakeha	47.34%
Other	27.56%
Pacific Islanders	8.52%

Where a person reported more than one ethnic group, they have been counted in each applicable group. As a result percentages do not add up to 100.

Those who did not disclose their ethnicity were excluded from this table.

Gender Mix		Total	
Female	609	56.84%	
Male	470	43.16%	
Total	1,079	100%	

Occupational Group	Full-time	Part-time	Casual	Total
Academic	276	115	106	497
Allied	268	84	72	424
Management	98	16	-	114
Total	641	216	178	1,035

AGE PROFILE

Age Band	All Staff	Academic Staff
10-19	2	1
20-29	86	28
30-39	192	70
40-49	245	122
50-59	262	129
60-69	210	119
70-79	37	27
80-89	2	1
Total	1,035	497

Remuneration & Gender for Employees Earning Over \$100k

	No of Staff earning > \$100k	% earning > \$100k	No of Staff earning > \$150k	% earning > \$150k
Female	47	48.96%	12	52.17%
Male	49	51.04%	11	47.83%

Each July, Unitec reviews remuneration levels (minimum, midpoint and maximum levels) and adjusts as appropriate. Diversity reviews are also undertaken to ensure that there are no anomalies and these are adjusted accordingly in the annual review. Special attention and strategies are considered for those under 85% of the band and also anyone over 115% to ensure the remuneration levels for individuals are fair and equitable in all respects - for example, considering market, band and internal relativities. In our recruitment processes (for new hires or internal movements), we review the latest market rates, band and internal relativities. We also adjust all our minimum rates to the 'Unitec Living Wage' (aligns to the 'NZ Living Wage') each year.

We provide a range of flexibility options to ensure that we are attracting and retaining females into roles. For example, we have a significant number of proportional roles and commonly adjust to suit employees' requirements. This helps increase engagement and retention. Our engagement scores went from 65% to 79.3% to 84.5% in the last 24 months to October 2020.

We utilise consistent interview guides and have a selection panel to ensure a robust recruitment process and equity. We provide good technology options including Teams, video interviews, remote access and laptops. We have targets in place to increase our Māori and Pacific academic and leadership staff. In addition, we have a number of Kaihautū and Pacific Navigator roles to assist and enable success for Māori and Pasifika students, along with a Learner Outreach Project which has been in place for the past 12 months.

